ett in and

Part Carry

APPER AND METERS

差值

 $r Y_{i+1} (r) = \dots r_i$ 

A Common of the Common of the

F4 4.7.7 A Service The ser

M4 (

mark grand

# See year 10.5

Report of the second

# A - 11 2 -- 1

**5** 

Sea of 1977

Sec. 10.

**P**ort

E THE

and the Contract

4.45.4.36.14F 1996

World

Aerospace

Transport

Competitive

new century

# FINANCIAL TIMES



Corporate networks Satellites offer a flexible alternative

Technology, Page 8



**New York City** Back to the budgetary brink

Renault Asleep at the wheel Page 15



Today's survey Inward investment into the UK

THURSDAY JULY 18 1996

# Germany by 2000

World Business Newspaper

France yesterday announced a massive reduction of france yesterday announced a massive reduction of its military forces in Germany, leaving only 3,000 French troops in its eastern neighbour by the end of 1999, compared with about 20,000 at present. The goop withdrawals, part of a comprehensive streamining of France's armed forces, may heighten tensions between France and Germany over military contraction. The more could also encourage other co-operation. The move could also encourage other Nato members with large forces in Germany to fol-

low suit: Page 12 Mercedes-Benz executive quite: The head of Mercedes-Benz's commercial vehicle division, Bernd Gottschalk, resigned over "different views" about the company's division of responsibilities, according to the group. Page 18

Ford Motor, the US car company, surprised the stock market with a 21 per cent jump in net income in the second quarter to \$1.9bn. Page 13

The Pentagon is planning a sweeping initiative to protect US troops based overseas from nuclear, chemical and biological attacks by terrorists, defence secretary William Perry said. Page 7

**Grundig closes Malaysian plant:** Grundig (Malaysia), part of Philips' loss-making German subsidiary, is to close its plant in Penang in a further setback for the Malaysian island which had become a booming centre for electronics manufacturers. Page 12

UK insurers act over genetic testing: The UK insurance industry plans to appoint a genetic adviser to help companies formulate a policy on the controversial issue of genetic testing. Page 12

Gloomy prediction for Swiss econ Switzerland's short-term economic outlook is "bleak", says the Organisation for Economic Co-operation and Development. It expects the economy to grow by 0.5 per cent in the current year and unemployment to fall only slightly next year.

MGM may be floated in next few years: MGM, the US film business bought for \$1.8bn by Australian media group Seven Network and Kirk Kerkorian's Tracinda group, is likely to be floated in the next three to five years, Seven's chairman sald. Page 13; Lex. Page 12; News Corp buys New World, Page 14

The US called for a binding global target for reduc-ing emissions of greenhouse gases which are warming the earth's atmosphere but declined to propose a specific target or set a time limit. Page 7

General Electric, the largest US company by . market value, produced record earnings in its second quarter, rising 11 per cent to \$1.9hm. Page 14.

Fulltan plans to start new disc production: Japanese electronics group Pojitsu plans next year to start producing a new generation of computer memory discs with vast storage capacity. Page 13; Cuts by chip makers widen, Page 15

General strike hits breeft Half a million israeli workers went on strike over plans for budget cuts by prime minister Benjamin Netanyahu's new government. Page 7

French war criminal dies in prison hospital: Paul Traveler (left) the only Frenchman jailed for crimes against humanity in the second world war, died aged 81 in a prison hospital near Paris. Touvier, a key aide to Gestapo chief Klaus Barbie, wes convicted and jailed for life in 1994 for ordering the execu-tions by firing squad of seven Jews in reprisal for

the killing of Vichy propaganda chief Philippe Hen-riot by the French Resistance, Page 2 Alitable, Italy's troubled national airline, is expected to incur losses and restructuring costs this year of L1,200bn (\$782m). Page 2

Mey oracidown in wake of bomb attack:
The Ukrainian government will introduce "elements" of a state of emergency in the wake of this
week's bomb attack on prime minister Pavic Lazarenko. It blamed the explosion on criminals and
communists opposed to plans to restructure the ailing roal industry. Page 2 ing coal industry. Page 3

ities in number of US adult smokers: The number of adult smokers in the US rose slightly last year in spite of increasingly tough restrictions on smoking in public places. Page 6

H STUCK MARKET HUNCES	III COLD
How York innoblems	New York: Chinesi
Barryon and For East CACAG	5.6) close .\$383.55 (584.8)
7491.13	DOLLAR
FT-SE 100 21,612.88 (+8.	53) How Yark: kinchilitie
	£1.5455 DM1.4465
M US LUNCHTHEE RATES	- 5.0035
Federal Funds 53% 3-mm from 586: Yel5269%	SFT1.215 Y108.75
Yeld T.007%	Londoc
N OTHER RATES	£ 1.5485 (1.5578) DM 1.4865 (1.4922)
THE R. L. Lewis Co., Land Co., Land Co., Land Co., London Co., Lon	M FR
UK 10 W 681 1058 (105	ST12145 (1.2225)
UNC 10 W Gift 9631 (96) Research 10 W DAT 1058 (105) Research 10 W Bund 98.54 (96)	3) Y108.795 (189.255)
Germany: 10 or Burst 98.54 98.54 Jupan: 10 yr 368 97.3423 97.442	OI I B DIETER
Color to le gon service	DM23018 (2.3242)
M NORTH SEA OIL (Argum)	
Brent Dated	Tetyo close: Y 108.35
	min (15 15.00 Cellar OR13.00
Active Service Land Land Land Market	LINDER STREET, SOUTH
Chrysle CC120 losing PG23V result	Main South Par250
Charte the 16500 totals 19310 Page	AMORADO CAMPINE SKOO
CHEMICAL COLUMN COMMENTS COMME	- ORISE SHIP STRAND
Bypl 55500 by Vern Bath	ter 7640 Syria SESS.00

# France to withdraw US faces fresh dispute over sanctions 17,000 troops from

By Stephen Fidler and Quy de Jonquières in London and Nancy Dunne in Washington

The US was beading yesterday for another confrontation with its The amendment was passed as European Union ambassadors prepared to meet in Brussels to European trading partners over plans for sanctions against com-panies investing in Libya and

iran, only a day after acting to defuse a conflict over controver-sial anti-Cuban legislation.

The danger of a fresh dispute follows approval by the US Senate of an amendment to toughen proposed laws providing for puni-tive measures against foreign companies investing in the Lib-yan and Iranian off industries.

EU angered by moves to punish trade with Libya and Iran However, EU officials said Mr Clinton's decision had not removed their objections to the

discuss plans for possible retalia-tion against US legislation designed to penalise foreigners operating in Cuba.

President Mill Clinton on Tuesday bowed to widespread international protests about the Cuba

ing its laws beyond its borders.
They said there was still strong legislation - the Helms-Burton Act - by delaying for six months the right to bring court cases against companies "trafficking" in confiscated Cuban assets.

UK trade and industry secretary, said sanctions against the US were "quite possible. We're looking at various options".

The EU has told Washington it will react strongly if the US act, or concern that the US was increasingly attempting to impose its will on allies by apply-

enacts legislation against Iran and Libya which threatens Euro-pean companies. Until recently, support in the EU for reprisals Brussels believed that it had suc against the US. However, there ceeded in getting Congress to water down its proposals. was no agreement on whether they should be put into effect immediately or held in reserve vote has renewed doubts. The amendment goes beyond a bill and used to put pressure on Washington. Mr Ian Lang, tha

However, this week's Senate

passed by the House of Represen-tatives by compelling – rather than entitling – the president to enforce sanctions on companies investing in Libya. The amendment, sponsored by

Senator Edward Kennedy, also requires the president to impose st least two sanctions on offenders from a list of options. They include export and import bans on companies, denial of US bank loans and export-import bank credits, and exclusion from US

The vote was welcomed by Sen-ator Alfonse D'Amato, sponsor of the Iran-Libys bill. "Our allies must understand that we must fight terrorism with action, not just platitudes. However, they seem to be more interested in profits than in closing down ter-

rorist regimes.' The final legislation will depend on whether the House accepts the Senate amendment. The White House has not said whether, in that event, Mr Clinton would eign the bill into law.
It is rare for Congress to tie a

EU unites over measures, Page 6

### Nomination of minister strengthens position of security chief

### Yeltsin appoints tough general to defence job

By Chrystia Freeland and John Thornhill in Moscow

Russian president Boris Yelisin yesterday appointed as defence minister a man notorious for his brutal suppression of a civilian protest in the dying days of the Soviet Union.

The appointment of General" Leor Rodionov will strengthen the position of his close friend and mentor, Mr Alexander Lebed, the national security chief and presidential aspirant who strongly. backed him for the job.

Ruseian democrats have dispersing a pro-independence protest in Georgia in 1989 with the loss of 19 lives.

An investigation by the Soviet parliament into the incident recommended that criminal charges be brought against Gen Rodionov, but many army offi-cers passed the blama to local notificians.

His nomination is likely to disappoint western governments, which had hoped that the return of Mr Anatoly Chubais, Russia's leading market reformer, to the Kremlin this week meant the liberals had gained the upper hand.
The new defence minister is "a
professional of a high standard, an elite general who combines practical and theoretical skills", Mr Lebed said yesterday. "The president has acted very wisely and all Russia will gain from this

Mr Lebed served as a colonel



under Gen Rodionov at the time of the killings in Tbilisi and went on to use overwhelming force to defend ethnic Russian separatists in the former Soviet republic of

Until yesterday, Gen Rodionov was head of the army general staff's military academy, where he was widely respected by senior officers. Like Mr Lebed, 59year-old Gen Rodionov is a veteran of the Afghanistan conflict who believes Russia should avoid foreign conflicts and concentrate on its domestic problems.

"I do not now see an external threat to Russia. The biggest threat is from within Russia. Russia must be saved from itself because it could break apart like the Soviet Union," he said in a

The two biggest challenges for Gen Rodionov will be to resolve the conflict in the separatist southern region of Chechnya and to turn Russia's 2m-strong conscript army into a more stream-

After a pre-election ceasefire in Chechnya, the Russian army has again stepped up its military efforts to crush the separatist

lined professional force.

After entering the Kremlin last month without a strong network of political allies in the government, Mr Lebed is now in a better position to secure his place as Mr Yeltsin's success

His chief rival is Mr Victor Chemomyrdin, the prima minister, who has already put down

the politically-inexperienced for-mer general in public.

Mr Lebed's aides said that the president had chosen Gen Rodionov at his security advis-

er's request. The security chief

has already forged close ties with Mr Yuri Luxhkov, Moscow's influential mayor. Yesterday Mr Yevgeny Nazdratenko, the governor of the Primorsky region, appealed directly to Mr Lebed to tackle an energy supply crisis in Russia's far east which he claimed threat-

ened the country's national secu-

rity interests.

### Continued on Page 12 government contracts. Companies cut back overseas

transfer benefits

By Robert Taylor in London

Companies are growing "leas generous" in the benefits they give to senior managers working abroad, according to a study of multinational corporation transfer policies in Europe.

The study by Monks Partner-ship, the independent remuneration advisers, said the proportion of companies willing to fund edu-cation for children of managers on short-term transfers overseas had fallen from 42 per cent three years ago to 16 per cent this year. Eighty per cent fund housing for overseas managers, down from 90 per cent, and the propor-tion receiving company-linanced language training dropped from 91 per cent in 1993 to 80 per cent

The number of companies which consider expetriates should be paid the same rates as local nationals has increased to 51 per cent from 36 per cent.

The survey covers 54 compa-nies - including Alcatel, Barclays Bank, Bertelsmann, British Telecommunications, Courteulds, Hertz, Inchcape, Levi Strauss, Mars, National Grid, Pepsico International, Philip Morris, Pilkington, Redland, Tate and Lyle, Ti Group and United Utilities with 687 business units or subsidiaries in 24 European countries. The companies made 2,084 senior management transfers in

the year to May. Forty two per cent said they expected the numher of transfers to increase in the next 12 months.

Their main reasons for transferring senior managers within European operations is the need for them to gain international experience, the need to transplant company culture or skills and the development of regional or product-based structures.

Companies find American, British, Dutch and Australian senior managers are the most willing movers while the most reluctant are the French, Germans, Italians, Spanish and Swiss.

Companies say transfers are made difficult by managers' concerns over dual careers in the family, children's education and "family resistance". But concerns over foreign languages and "perceived quality of life" were of limited importance in discouraging senior managers from accepting relocation.

The survey says companies find it hard to convince managers to accept the same pay and conditions as local workers, unless practices and pay levels there are similar to those at home.

The survey distinguishes between senior managers sent abroad for less than a year and

Continued on Page 12

This announcement appears as a matter of record only

### £28,000,000 Time Warner's takeover of **Acquisition of**

### Turner approved in principle Time Warner

The contentious \$7.5bn takeover of Turner Broadcasting System by rival media group Time by rival media group Time Warner has been approved in principle by the US competition

authorities.
The deal, first announced last
August, had been held up by con-August, han been nead up by con-cerns over competition in the US cable TV industry.

Time Warner cautioned that the deal was not yet final, since a definitive agreement still had to be reached with the Federal

Trade Commission's staff and then approved by the FTC com-However, it is thought that final approval could be reached

as early as the end of this week. Tha stumbling block in negotiations had been the 21 per cent stake in Turner held by Tele-Communications Inc (TCI), the largest US cabla TV operator. Under the original deal, this stake would have converted into a 9 per cent holding. in Time Warner. Since Time Warner is the next

era price IS

had argued this might weaken competition between the

Under the new arrangement, tha 9 per cent Time Warner stake is to be hived off as a separate company, owned by shareholders in Till's subsidiary Liberty Media - Brough which it owns its Ternar shares.

Under terms yet to be finalised, there will be safeguards against Tell exercising control. This tepresents some loss of. control for Time Warner, since under the original agreement votIn another substantial change to the original deal, contracts under which TCI was to secure Turner programming at a dis-count over the next 20 years will be scrapped. A new contract will now be drawn up six months after the takeover goes through. TCI said the spin-off plan was creative and beneficial, since it would allow Liberty Media shareholders to participate directly in

were to be held by Mr Gerlad

Shares in all the companies involved rose sharply yesterday, In late trading, Time Warner had risen 9 per cent, up \$3 to \$36%. Turner's shares were up by more than 10 per cent, up \$2% to \$26%. TCFs "B" shares had risen 9 per cent, up \$1% at \$15%, while Lib-erty Media was up \$1% to \$23%. TCL whose chairman Mr John Malone is one of the most powerful figures in US media, denied that it had "ever aspired to par-

ticipate in the management of Time Warner". It said that renegotiating its Turner contracts under new ownership should not prove difficult.

#### CONTENTS

biggest cable operator, the FTC ing rights in the 9 per cent stake

HL Band Service . Managed Funds \_\_\_\_\_\_\_19 Money Markets \_\_\_\_\_\_\_18 Record Insust \_\_\_\_\_\_\_30 London SE ..

I UK haved havebree

### CINVEN / INDEPENDENT / VISION

Led and arranged by

Equity provided by

Cinven Funds

Macfatianes acted as solicitors to the company and to the equity investors
Deloitte & Touche acted as investigating accountants

In all good books

LAMBOR - LEERS - PARES - PRINCEPORT - STOCKEGOLIG - MARRIED - MEN YORK - LOS AMGELES - TOKYO - HOMO KOME O THE FINANCIAL TIMES LIMITED 1996 No 33,038

whic!

them

### Erbakan soothes fears of Turkish business

By John Barham in Istanbul

Anxiety in the executive auites of Istanbul, Turkey's business capital, has eased in the 10 days since Mr Necmettin Erbakan became the country's first Islamist prime minister. Mr Erbakan has pleasantly surprised the country's business leaders by ditching his anti-capitalist rhetoric since his Refah party became the larger partner in a coalition with Mrs Tansu Ciller's centre-

right True Path party. We do not intend to interfere in the free market at all," he told parliament this week. Mr Abdullatif Sener, Refah's finance minister, shook financial markets this week with threats to cap interest rates, now over 20 per cent in real terms, on the Treasury's snowballing domestic debt. How-ever, this was quickly denied.

Markets were also concerned by his decision last week to increase public sector wages well above inflation. But business bopes Mr Erbakan will retreat from promises to offer incentives and tax breaks to farmers, the poor and small traders - Refah's core support-

ers - and to waive their debts. There are limits to Mr Erbak an's populism. For instance, Turkey's customs union with the EU restricts state aid and requires open markets.
Business is giving Mr

Erbakan the benefit of the doubt. Mr Yavuz Canevi, chairman of TEB, Turkey's most conservative bank and bead of the foreign investors' association, says: "New governments teod to talk too much. They will sit back and see the real situation in four to six weeks and start thinking seriously." Some believe Mr Erhakan could embark on an ambitious reform programme to reduce inflation, now 83 per cent a year, by restructuring the deficit-ridden state.

One chief executive repeated a commonly-held view that be would not be in power long. "But the people needed to experience Relab to know what they are like, otherwise they would always keep saying, 'Ah, if only Refah were in charge things would be better'."

Real pessimists keep quiet in public, wary of offending Ankara, which can make or break

While the business world is relieved Mr Erbakan is not trying to impose Islamic codes on Turkey, many fear the country could soon be engulfed by a severe economic crisis.

Government spending has increased sharply and the budget deficit could rise by half to 10 per cent of gross domestic product this year. Economists fear the current account delicit may hit \$6bn-\$7bn, altbough central bank economists say it will only be half as hig.

Yet there is great confidence that business will bounce back from a severe setback, as it did in 1994 when the economy contracted by 6 per cent following a balance of payments and financial market crisis.

Local and foreign executives are coofident that Turkey will always remain a promising market. Mr Jacques Chauvet. director general of Renault's Turkish operation says: There are only 48 cars per thousand people here. In Europe the rate is 480 so the potential is great."

But a business consultant who watches Refah closely warns: "Big companies think they can live with Refah. I am not so sure. It will make the rich pay for its programmes." And neither should Refah be written off: "People have been [underestimating] Refah for years, but they keep growing."

THE FINANCIAL TIMES
Published by The Financial Time, (Europe)
Gmbill, Nibelungenplatt, 3, (4018) Frankfurt am Main, German, Telephone, 4-24
of 150 850, Fax +-34 of 160, 4381, Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brakelin, Colin A. Kermard as Geochilistifatre and in London by David C.M. Bell, Chairman, and Alan C. Miller Deputs, Chairman, Sharichidere of the Financial Times (Europe) Gnibil are, The Financial Times (Europe) Gnibil are, The Financial Times (Funope Ltd. London and F.T. (Germany, Advertisant) Lid. London Sharchider of the above mentioned two companies is, The Financial Times Limited, Number One Scathwark Bridge, London SEI 0HL
GERALANY:
Responsible for Advertisang. Colin A. Kert-

GERMANY:
Responsible for Advertising, Colin A. Kernnard, Pratter, Hierryel International Verlagspaellschaft mbH. Admiral-RossmalahStrace St., 60260 Net Benhurg ISSN 9174
7363 Responsible Editor, Richard Lambert, etc. The Financial Times Lamiled,
Number One Southwark Bridge, London
SE) 9HL.
FRANCE:
Publishing Director P. Maravigla, 42 Rue

SEL 911.

FRANCE
Publishing Director P. Maraviglia, 42 Rue
La Bortie, 75008 PARIS, Telaphone (91)
375-8254, Fax (91) 57-8-825, Printer
S.A. Nord Lellan, 1822 Rue de Caure,
F-59101 Roubain Cedex I Editor Richard
Lambert (ISSN 1148-2755) Communion
Partiare No 6/3080
SWEDEN:
Responsible Publisher Hurth Carneys 468
618-6088 Printer, AR Kvallstadmingen
Expression, PO Box 6007, S-550-10,
John-Johns,
T. The Financial Times Limited Printed to Richard
Editor Richard Lambert
efo The Funancial Times Lumited, Number
One Southwark Bridge, London SEL 9HL
R.

### Controversial legislation expected to spark fierce battle in parliament

### Italy draws up new media rules

The Italian government yesterday unveiled draft legislation which aims to impose order on the fast-expanding communications sector by limiting media ownership and establishing a telecoms and broadcasting regulator.

The decision had been post poned twice in the past fortnight as state and commercial television networks have lobbied the government for changes. The proposals are expected to face a fiarce parliamentary debate.

Mediaset, the main commercial broadcaster, complained favour of Rai, its state-owned rival, and vowed to seek alterations in parliament. Mediaset is controlled by Fininvest, the family holding company of Mr Silvio Berlusconi, leader of the rightwing opposition.

The draft law - and a related bill which has yet to be approved by the government will not force Mediaset or Rai to sell any channels. Mediaset would have to transform one of its three channels into a satellite or cable service or reduce its overall terrestrial audience while one of Rai's three channels would become a regional network, under Rai control. Mr Antonio Maccanico, post and telecoms minister, said the

government would use a

decree to push through the

One of the 16,000 specially minted

Parties hint at compromise over how to tackle sensitive issue of constitutional reform

Italy's centre-left governing alliance yesterday proposed that constitutional reform - the most sensitive issue facing the new legislature - be tackled by a special commission in each of the two bonses of parliament, writes Robert. Graham in Rome.

The proposal, made at the start of a parliamentary debate on reforming the 1948 constitution, envisaged twn 30-strong commissions. But this would give the government more direct control over the content of the reforms, so the rightwing opposition, beaded by former premier Silvio Berlusconi, yesterday proposed a more antonnmous constituent assembly elected by

proportional representation. Yesterday, speakers on both the government and apposition side hinted that a compromise was possible. Mr Gianfranco Fini, leader of the rightwing National Alliance, said he was prepared to examine alternative formulas as inner as there was a clear timetable for reform Mr Massimo D'Alema, leader of the Party of

man of Iri, the state holding

company which controls Stet,

Emu: banks' optimism not-

matched by spending

Banks saying their IT can

Banks saying they have

ope with Emu timetable

populist Northern League, told partiament it was too late for constitutional reform since the unity of the Italian state could no longer be guaranteed. It was better to accept twn Italys with separate currencies, with the north - his ill-defined state of Padania - acquiring autonomy via a referendum. Behind yesterday's set-piece speeches hy political leaders lay the mounting reservations

the government, said there had to be "mutual

recognition by the majority and the opposition

that there is a shared responsibility for success

or failure". But Mr Umberto Bossi, head of the

of Mr Massimo D'Alema about the two-month-old premiership of Mr Romano Prodi. Mr D'Alema is refuctant to go ahead with a shake-up of the Italian state without the certainty of a government which can last a good 18 months.

Mr D'Alema, the real power behind the enes, has yet to demonstrate his full conviction in Mr Prodi as premier. These uncertainties have in turn been reflected in the

draft law if it faced obstruction said yesterday it was already in parliament. New rules on too late to expect privatisation media ownership must be in of Stet this year, as the governplace by the end of August to ment originally hoped. "As avoid breaching a constituthings stand, we won't manage tional court ruling and the to privatise Stet in the autumn, but there's still a good government wants to speed the long-awaited sale of its majorchance in spring and we're ity stake in Stet, the telecoms aiming at that," be said. bolding company. Mr Michele Tedeschi, chair-

terday morning as details of

Computer chaos warning over Emu

face computer chaos if Euro-

pean monetary union starts as

planned in 1999, the US com-

puting group IBM has warned.

be a severe shortage of skills to

cope with the transition to the

single currency because it

coincides with the computing

overhauls needed to cope with

IBM and other industry

groups warn that banks unable

to manage could lose the confi-dence of customers and fail. So

severe is the problem that IBM

argues there is a compelling

case for delaying Emu until after the year 2000.

Many banks and businesses.

bowever, reject IBM's gloomy

conclusions, suspecting that

computing groups are simply seeking business. A recent sur-

vey by the International Data

Corporation, for example,

shows that 90 per cent of banks

believe their information tech-

nology infrastructure will cope

with Kmu. But that survey also

shows that only half have an

IT strategy for Emu and a

mere 15 per cent have allocated

IBM's gloomy prognosis is

shared by most of the comput-ing industry. Mr Colin Stringer

of the Hoskyns consultancy

group, which recently helped

the end of the century.

The company says there will

seemed exaggerated. For example, Mr Maccanico cleared Mediaset and its allies to bid for Italy's third mobile telephone licence in the autumn, Shares in Mediaset, which whereas Rai would have to began trading in Milan on establish a costly regional Monday, fluctuated wildly yes-

"Mediaset may have lost the

IBM fears the severe shortage of skills may cause

European businesses could the German banking associa- ing groups doubt whether

tion draw up Emu guidelines says: "IT resources will be

severely depleted with Emu.

That means some banks will

Taken alone, changing IT

systems to cope with Emu is expected to be relatively man-

ageable, albeit expensive: Bar-

clays bank and Deutsche Bank

each calculate the cost at

about £200m (\$312m), implying

costs of about £3.7bn for the

entire EU banking industry.

But Europe'a computing exper-

tise will be stretched over the

next few years by the need to

modify computer programmes

to cope with the change of cen-

tury. Some industry sources

expect these changes to cost

European governments and

Signs of skills shortages are

already emerging: the cost of European programmers able to

read core computer codes such

as Cobol, for example, has

likely to worsen. IBM hopes to

tackle the issne by sending work to India, but it argues

there is not enough telecom-

munications capacity for this to provide a solution.

new IT breakthrough could

solve the problem but comput-

Some observers believe a

These snpply problems are

risen 30 per cent this year.

businesses some £200bn.

businesses to collapse, writes Gillian Tett

certainly fail."

elections, but on television they haven't lost anything," said Mr Francesco Siliato, an independent media analyst based in Milan.

Mr Fadela Confalonieri, Mediaset's chairman, welcomed the fact that Mediaset would not have to give up a channel, and admitted that the final draft was better than earlier attempts, which Mediaset had dubbed "economic vandalism". Rai said it felt "reassured" by the final draft.

Under the bill, Mediaset would have to reduce the pro-portion of commercial breaks from 18 per cent to 16 per cent, from January next year until the end of August, when the authority would review the sitnation.

Mr Confalonieri said such a reduction could cut about 1.150bm (\$100m) from Mediaset's annual turnover of around L3,000bn. Mediaset would also be affected by a ceiling of 30 per cent on its share of overall revenues from the draft were unveiled in publicity and licence fee, six points below its current share. But hroadcasting experts If the law is approved, the regulatory anthority will resemble the FCC in the US, which covers both telecoms said Mediaset'a complaints and media, rather than the UK model of separate regulators. It will be made up of two fourperson committees - one for networks and infrastructure. vices - with a single chairman.

there is enough time and warn that conducting two large IT

projects in tandem could lead

companies to fail. "Doing the

projects together more than

doubles the risk," says Mr Eric

Hall of Bull, the French com-

puter group.

The problem has been exac-

erbated because many compa-

nies are delaying their prepara-

tions for Emu until the

political climate becomes

Mr Juan Amador, an associ-

ate partner of Anderson con-

sulting, says: "Our clients are

talking about starting projects about six months before the

changeover. That's cutting it fine, but they want to see a real deadline."

In theory, the only busi-nesses which need to make the

changes in 1999 are wholesale

banks. In practice, most IT

experts expect the competitive

pressures will lead many com-

panies and retail banks to

demand IT changes well before

the single currency replaces

Mr Brian Reynell, regional

affairs director for the US com-

puting group EDS in Brussels

says: "Our assumption is that most companies will want to

change on day one for competi-

national currencies in 2002.

#### **EUROPEAN NEWS DIGEST**

### EU move on sex discrimination

The European Commission said yesterday that plaintiffs and defendants should share the burden of proof in sex

discrimination cases in the European Union. "Until now, a woman who alleged breach of the principle of equality has generally had to bear the full burden of proving her case, even where certain facts were easier for her employer to establish," it said in a statement. If the legislation is adopted by EU ministers, it would apply in all Union countries except Britain, which has opted out of the EU's

"social protocol". The text also defines "indirect discrimination", saying it exists when an apparently neutral practice disproportionately disadvantages members of one sex, especially because of marital or family status - unless the aim is objectively

The Commission has been pushing for legislation on the burden of proof since 1968, but its previous proposal was drawn up under treaty articles that require unanimity and was blocked by Britain. It decided to propose new legislation under the social protocol, which was introduced by the 1992

#### Serbian talks on Karadzic's tate

Mr Richard Holbrooke, the architect of the Dayton peace agreement for Bosnia, yesterday held four hours of talks with President Slobodan Milosevic of Serbia in an effort to prop up the agreement by securing the removal of Mr Radovan Karadzic, the Bosnian Serb leader who has been indicted for war crimes.

Mr Holbrooke, who was recalled by the US government from his new job as a Wall Street investment banker, said yesterday: "I cannot tell you we made any progress today and will not characterise the talks except to say they were inconclusive and in progress." Mr Holbrooke said yesterday that Mr Ejup Ganic, Bosnian vice-president, and a trade delegation from Bosnia would meet Mr Milosevic next week in the first official visit by the Bosnian government since the outbreak of war four years ago.

 Mr Yevgeny Primakov, the Russian foreign minister, yesterday accused the UN war crimes tribunal in The Hague of being "overpoliticised and unbalanced in the fields where it is expected to work". Russia sees the tribunal as being anti-Serbian because Serbs represent the majority of those indicted. Mr Milosevic and his former proxy, Mr Karadzic, are widely seen by western governments as most responsible for

#### Death of French war criminal

Paul Touvier, the only Frenchman convicted of crimes against humanity committed during the second world war, died yesterday in prison, aged 81. Touvier, a key aide to Gestapo chief Klaus Barbie, was convicted in 1994 of ordering the executions by firing squad of seven Jews in reprisal for the killing of Vichy propaganda chief Philippe Henriot by the

Twice convicted in absentia for treason, Touvier was pardoned by President Georges Pompidou in 1971 at the behest of leading Roman Catholic Church officials.

But Resistance groups and Jewish survivors came forward with evidence to bring new charges, forcing Touvier back into hiding. He remained a fugitive with his wife and two children until he was arrested at a Roman Catholic priory in Nice in

#### Alitalia set to write off \$782m

Alitalia, Italy's troubled national airline, is expected to incur losses and restructuring costs this year of L1,200bn (\$782m). These figures - L400bn of losses and another L800bn in restructuring costs - were given yesterday in evidence to parliament by Mr Michele Tedeschi, the head of iri, the state holding company which controls Alitalia .

Mr Tedeschi also revealed Iri had handed over L1,000bn to Alitalia as part of the first L1,500bn tranche of an eventual L3,000bn capital injection to help with a reorganisation of the flag carrier. The transfer had been essential to cover Alitalia's obligations to financial institutions. However, he did not elaborate on bow Iri, itself in a delicate financial plight, would be able to find the remaining funds for the capital increase. Alitalia's current indebtedness stood at L3.400bn, plus a further L1,200bn in leasing and rental commitments, be said. The restructuring plan, announced on June 19 and involving 2.800 job losses, was compatible with EU competition rules, he

#### Pact ends Euro-card dispute

MasterCard International and Europey International, the card payments organisations, have settled a long-running dispute with an agreement aimed at clearing up the confusion between their card brands.

Europay, which handles the MasterCard brand in continental Europe in tandem with its own Eurocard credit card, as well as the Eurocheque ATM card, has agreed to a new combined logo which is intended to make it clearer to MasterCard holders that their cards are accepted by Eurocard á

The new agreement allows the MasterCard brand to be prominently displayed in shop windows, while not discarding the brand strength Eurocard has built up especially in

Germanic countries. Just a few weeks ago, it appeared possible that the gap between MasterCard and Europay was so wide that they might dissolve their 30-year-old alliance. George Graham, London

### Germans halt row over a pfennig

The German federal cartel office has abandoned its action against the east German ntility Vereinigte Energiewerke AG (VEAG) for over-pricing.

A comparison with other utilities showed VEAG was charging one pfennig more per kilowatt hour than the others, the cartel office said, but the higher costs were permissible as VEAG had higher production costs because of the high proportion of brown coal used in its energy production Reuter, Berlin

### MEPs open their wallets to public gaze

By Lionel Barber in Strasbourg

Source: IDC 115

The European Parliament vesterday agreed to open up members business interests to public scrutiny, but the measures are limited and avoid prescribing punishment for transgressors.

The new rules require MEPs to make an annual declaration of payments in cash or kind above their parliamentary pay and expenses, and to reveal other professional or paid activities.
MEPs in Strasbourg

approved the package overwhelmingly, recovering from an embarrassing setback last January when they balked at proposals laying down firm guidelines for lobbylsts and tighter rules on their outside interests.

But a minority alliance of Green and Scandinavian MEPs criticised the reforms as inadequate. They said the package did not require MEPs to reveal how much money they received for activities such as consultancies and did not set limits on financial assistance.

The debate over lobbying and MEPs' outside interests is similar to the controversy in the LIK but has intensified as business and industry have woken up to the parliament's

powers to amend European leg-islation as a result of the Maas-

Informal estimates snggest that the European Commission accepts on average more than two-thirds of parliamentary amendments when it puts forwards legislative proposals under the Maastricht "co-decision" procedure which applies to the internal market MEPs rejected an attempt by

Mr Brendan Connolly, a UK Conservative, to limit the ban on gifts, payments and benefits to those "which might influence the way in which they vote or the performance of

ation is due to take place by

The commissioner said the

alliance would be reviewed in

2001, when the Commission

would also review progress of

the Concert alliance between

British Telecom and MCI of the

US, which has full regulatory

January 1 1998.

Mr Jean-Thomas Nordmann, the Radical French MEP who led efforts to control members' financial interests, said there was no point trying to set cellings on outside payments. "We did not want to get into scholastic disputes about the appropriate level of ootside income because that is what killed the

earlier proposal in January." The parliament's new rules, due to take effect from Septem ber, are in effect an internal regulation which remains sub-ordinate to national legislation. One of the difficulties in regulating MRPs is the absence of parallel cootrols over national

Brussels places single condition on merger between Ciba-Geigy and Sandoz

Most KU countries do not have rules governing lobbying or pressure groups, nor do they have a register of lobbyists. Britain introduced reforms recently, but a minority of MPs still refuse to declare their outside income.

Mr Ford said the European Parliament's rules committee would shortly study a new code of conduct covering the activities of "inter groups". These are cross-national and cross-party groups of MEPs, funded by pressure groups or business, which are set up to push single issues such as animal rights and minority lan-

## Commission approves Atlas telecoms 'supercarrier'

By Neil Buckley In Brussels

France Télécom and Deutsche Telekom yesterday gained long delayed final clearance from the European Commission to create their "supercarrier" alliance. Atlas, and global alliance with Sprint of the US. called Global One.

But Mr Karel Van Miert, competition commissioner, warned that approval of the ventures - which aim to provide "seamless" telecommunications services to businesses worldwide - was on condition that full competition was created in the German and French telecoms markets.

He said Atlas and Global One's main services would be authorised the moment France and Germany granted the first telecommunications licences to operators of alternative infraThe European Commission yesterday cleared the merger of Swiss companies Ciba-Geigy and Sandoz to create Novartis, the world's second-largest

drugs group, write Neil Buckley in Brussels and Bill Hail in Zurich. It imposed only one condition in the animal bealthcare sector, Mr Karel Van Miert, competition commissioner, gave the go-ahead on

condition Ciba and Sandoz granted

first to be awarded shortly.

But France Telecom and

Deutsche Telekom must wait

until their domestic telecoms

markets, including voice tele-

phony, are fully liberalised

before they can incorporate

within the Atlas alliance their

nalional data networks. Tran-

non-exclusive licences to competitors for methoprene, an active ingredient in parasite treatments for pets. Mr Daniel Vasella, president designate of Novartis, said the condition would have a negligible impact, and hoped the merger would be cleared by the US authorities by the antumn. The two companies control three of the five active ingredients available

worldwide for anti-flea treatments for structures. He expected the spac and T-Data. Full liberalis-

approval "We will survey with great attention the way the two companies behave. All the condi-

quickly become involved again," he said. As expected, he imposed con-

tions must be well respected. If

they are not we will very

particular importance to competitors". In response to his concern that their strength in research and development could lead to a combination of patents in gene therapy that would exclude competitors, the companies said they

dogs and cats, and Mr Van Miert said

access to methoprene was "of

were "ready to use their influence" to ensure that non-exclusive licences were granted for future patents for gene France Télécom must sell Info AG, its data network ser-

vices subsidiary, which competes in the German market with T-Data. FT and DT must allow nondiscriminatory access to their networks to competing low-

systems from FT and DT. level data service operators. Atlas and Global One must conclude separate contracts for They must treat all third-

dominant positions.

therapy to treat tumours.

In general, the commission

compete with Novartis. The

concluded there were enough other companies with "critical mass" in the

Commission said the merger affected

almost 100 product markets, but was

"largely complementary". Even where

research and development field to

narty competitors which want to use their facilities in a nondiscriminatory way. No cross-subsidies between the groups are allowed, and Atlas and Global One must have separate accounting

There have been complaints there were overlaps, there were no about the deal from BT, but yesterday the UK operator said was satisfied. The third of the global supercarriers, AT&T World Part.

ners, is atill awaiting regulatory approval from Brussels. The Commission also cleared the Dutch television joint venture Holland Media Groep, between RTL, owned by Luxembourg's CLT, and Veronica of the Netherlands.

FT and DT to act as their dis-

tributors in France and Ger-

Plans for Atlas ware first

notified to the Commission in

December 1994, but the Com-

mission demanded several

changes - including the com-

mitment to liberalise alterna-

tive infrastructures - before a

preliminary decision to clear it

last December.

FINANCIAL TIMES THURSDAY JULY 18 1996

# I move on a Crackdown crimination by Kiev after bomb attack

By Chrystia Freeland

ian talks on Karadzick

The second of th

h of French war crims

And the second of the second o

this set to write off \$78.

ends furnerard dispute

🚊 tamping a surject of the second of

The Ukrainian government will introduce "elements" of a state of emergency in a sharp reaction to a bumb attack on the prime minister earlier this week, the authorities said

Mr Pavlo Lazarenko, the prime minister, and other senior officials yesterday maned Tuesday's explosion on "criminals" and "communists" opposed to the newly appointed premier's plans to restructure Ukraine's ailing

coal industry.
Other observers have speculated that the blast was part of the intensifying battle for eco-nomic control waged by rival, regionally-based political clans. But, emboldened by its recent success in pushing through a contentious constitution, the Kiev leadership said this week's violence would strengthen its resolve to press ahead with its plans to over-

To make that possible, Mr Volodymyr Horbulin, the head of Ukraine's National Security Council, said the government planned tough new security measures, including dismissals of incompetent and corrunt government officials, stricter control over the use of state funds and more elaborate personal protection for the coun-

try's leaders.
'I cannot say this is a state. of emergency but elements of a state of emergency will be introduced," Mr Horbulin said. "The task before us is not an easy one, but if we do not start. to solve these problems I cannot be sure that by autumn we will be able to speak of Ukraine as an independent

Mr Horbulin said Tuesday's blast, which damaged two cars in a government motorcade but did not injure the prime minister, was "more an economic than a political act".

Mr Lazarenko, who was on his way to meet striking coal

miners in eastern Ukraine when the hombers struck, said the attack was an attempt to prevent him from making the

"The idea was to keep me away from the Donbass. I see no other reason for the attack," he said. "A concrete examination of how to stabilise the coal industry had forced criminal structures to use explosives with the aim of wiping me out completely."
After the explosion, Mr Laza-

renko carried on with his planned trip to Donetsk, the heart of the Donbass, where he told disgrantled miners the government would pay \$67m of

the \$80m wage arrears. But he said it was the last time Kiev would bail out the largely exhausted coal sector and insisted that the government would press on with plans to close up to 30 mines

Mr Lazarenko also sacked several coal mine directors and regional officials. Donbass regional leaders and coal mine managers have been accused of fomenting strikes in order to extract further subsidies from the government.

Some analysts said the blast was part of the battle for control of Ukraine's natural resources being waged by regional political lobbies, including the Donbass group, and the faction from Mr Lazarenko's homa town of Dnipropetrovsk. But some reformist observ-

ers in Kiev welcomed the government's reaction as a sign that after five years of dithering the Kiev authorities might finally be ready to steer the country in a clear

"They are trying to assert elementary control over the situation, instead of following the usual Ukrainian habit of hiding our heads in the sand whenever things get difficult, so this is a good thing," Mr Oleksandr Tkachenko, a leading television commentator, said yesterday.

Competitive edge proves elusive as appreciation of franc prolongs recession

### OECD says Swiss outlook 'bleak'

**NEWS:** EUROPE

The short-term economic outlook for Switzerland is "bleak", as expectations that sustained economic growth would quickly return after its longest recession since the war have evaporated, the Organisation for Economic Co-operation and Development says in its latest annual report on the country.

It expects the economy to grow by 0.5 per cent in the current year and memploy-ment to fall only slightly next year. Less than a year ago it was forecasting GDP growth of 1.7 per cent in 1995 and 2.3 per cent in 1996. In fact Switzer-land's growth in 1995 was only 0.7 per cent, the lowest among European OECD countries.

The protracted sluggishness is blamed largely on the appre-ciation of the Swiss franc by about 15 per cent in real terms from 1993 to 1995, resulting in a

The OECD has found one corner of the Swiss economy which is ticking along efficiently – it describes the city of Zurich's antiquated tram system as one

of the most efficient surface transport

systems in Europe. The trams offer a high-quality ser

vice, declining real price levels and

attractive season tickets, resulting in a

substantial increase in the use of pub-

lic transport with "striking" gains in

efficiency of road use and quality of

In most OECD cities the number of

passenger trips by public transport is

low compared to private transport. But

since the late 1970s, Zurich has witnessed considerable growth starting

from a high base. Despite the absence

of an underground rail system, the pro-

portion of trips by public transport is estimated at around 42 per cent, signif-

icently higher than any other European city of comparable size.

The number of trips on Zurich's pub-

lic transport system rose in a decade

from 210m a year to 310m in the early

1990s, though it has declined slightly

during the recession. The OKCD describes Zurich's success as "remarkable" given that it is one of Europe's

wealthiest cities, with a car ownership

urban life.

Unemployment rate (%)

tional competitiveness. The need to raise taxes and social security contributions, to help reduce official imbalances, particularly the deficit on the unemployment insurance fund, have also been a drag on the economy, as has the failure of the construction sector to recover from the speculative

1986 88 90 92 94

boom of the early 1990s. The OECD's downbeat growth forecast for the Swiss economy is more optimistic than some. The Zurich-based Centre for Research of Economic Activity has just reduced its 1996 forecast for the second time this year and is now predicting a 0.1 per cent decline in Swiss

Swiss franc: trade-weighted index

positive feature of the current kept very low in spite of the temporary effects of the introduction of a general value-added tax.
Investment in machinery

and equipment remained the nent in 1995 as businesses tried

set loss of competitiveness caused by the exchange rate rise. Assuming no further real appreciation in Swiss currency in the next year or two, and that the economies of Switzerland's main trading partners strengthen from the second half of 1996, the Swiss economy should accelerate mildly in 1997 and inflation would remain low. The OECD is forecasting GDP growth of 1.7 per cent for 1997.

It says Switzerland can no longer be criticised for its "tortoise-like" approach to structural reforms. The country's medium-term prospects should benefit from a speeding up of reform of unemployment insur-ance, deregulation of the domestic market, and the liberalisation of public procure-

But the OECD believes more needs to be done, particularly in areas such as competition

#### businesses at a cost of FFr700m (\$135.7m) to FFr800m, increasing aid to agriculture, transport and fishing, promoting tourism, and launching a "cultural charter" to give special status to the teaching of the

Aiaccio.

Juppé in

Corsica

to launch

peace plan

The French prime minister, Mr

Alain Juppe, began a two-day visit to Corsica yesterday, hop-

ing to reduce separatist vio-

lence with a security crack-

down allied to an offer of

dialogue and economic aid for the island, Reuter reports from

Mr Juppé, on his first visit to

Corsica as prime minister, will

outline his plan to turn the island into a "tax-break zone"

for five years to revive the fal-

tering local economy. Before

leaving Paris, he met cabinet

colleagues to discuss the increasing lawlessness and sep-

aratist bombings that have

defeated successive French

The economic package is expected to involve cutting

social and fiscal charges on

governments for 20 years.

Corsican language, The Europeao Union has said it will provide Corsica with FFr1.7bn in aid. Officials said the French package has yet to be approved by Brussels. which opposed a more ambitious French plan by arguing n would give the island unfair advantages over the Mediterrauean Islands of other EU

Two main guerrilla factions have called for calm ahead of Mr Juppe's visit, while the Cuncolta Nationalista, the legal arm of the third group, has said it will suspend activaties after a car bomb killed one of its leaders on July 1.

But some unions planned protests to coincide with Mr Juppe's visit, saying the economic concessions were a "present to the bosses"

President Jacques Chirac outlined a three-pronged policy for Corsica on Bastille Day, based on firmness, "positive dialogue" and efforts to kickstart the economy.

The government has signalled a tougher line on the gunmen by rounding up known hardline separatists.



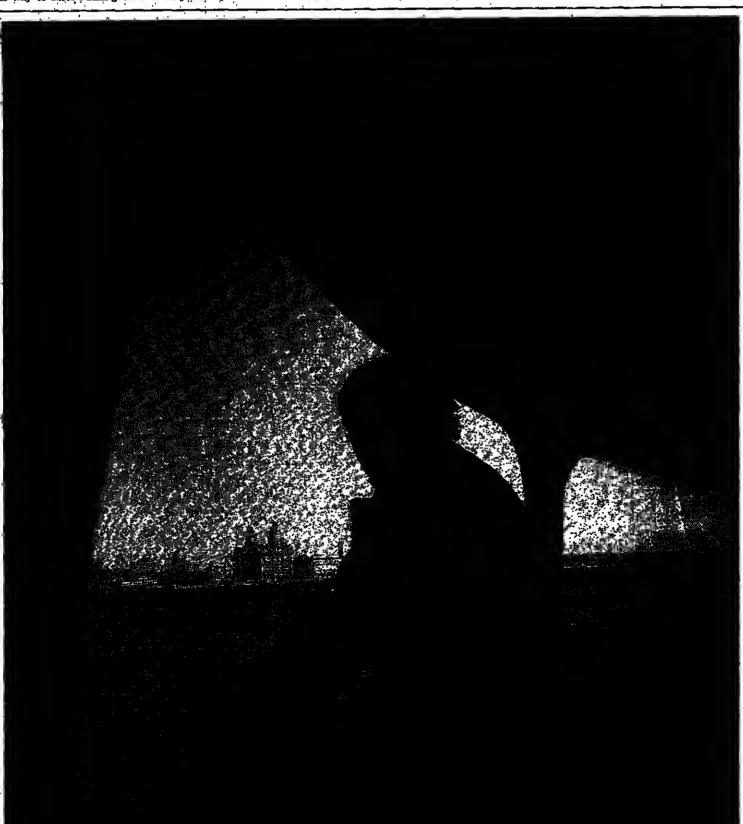
The excellent service on Zurich's train system has produced striking gains in efficiency of road use and quality of urban life

rate of 391 per 1,000 inhabitants. Zurich's transport strategy is based on reallocating road space from private vehicles to public transport and provid-ing incentives to use public rather than private modes of transport.

Travelcards cost SF7.20 (\$5.90) a day, or SFr70 a month, services are frequent

- up to eight trams an hour on 13 routes - and the timekeeping is phe-nomenal. Nowhere in Zurich seems more than a 15-minute ride from the city centre. Computerised traffic lights and rigorous enforcement of segregated traffic lanes mean the trams always have right of way over private vehicles.

The report on Zurich's 136.9km tram system is particularly encouraging in another respect - it suggests that OECD economists visiting Switzerland's financial capital have been taking the tram rather than wasting taxpayers' money on Zurich's expensive taxis.



Thinker, tailor, screenwriter, sailor, rich man, foreman, businessman or comic? (It must be something in the water.)

From Lord Leverhulme to Leonard Rossiter, William Pilkington to Willy Russell, Merseyside has always been incredibly rich in one natural resource. Its people.

Where else has the same wealth of entrepreneurial spirit and creativity?

There's a pool of talent here that a business can float on.

For more information on investment opportunities on Merseyside call 0800 22 0151

A'pool of talent

By Jeremy Grant in Ho Chi Minh City

Authorities in Ho Chi Minh City yesterday accused the Vietnam-based unit of Peregrine Investments Holdings of illegal trading and tax avoidance, six weeks after raids on its offices sent jitters tbrough the city's foreign

investment community.

The move drew a sbarp denial from Peregrine. an investment house listed on the Hong Kong slock exchange. The company has been under scrutiny since inspectors arrived without warning at its premises, confiscating documents as part of an company probe that is still

for the city's powerful people's \$345,000, Mr Son said.

council - claimed the investigation had revealed that Peregrine's Vietnam operation had abused representative office status by using 13 local companies as business fronts for trading purposes.

Mr Son said the investment house had 'violated our law' by using these companies. which he alleged had been created by Peregrine as trading vehicles.

Many foreign investors set up representative offices in Vietnam as a first step before investing money but such offices are banned from doing business. Peregrine had also imported

Japanese made Honda cars, arranging invoices in such a Mr Nguyen Son, spokesman way as to avoid taxes worth

Peregrine Capital Vietnam cer, denied any wrongdolng the company and its managers not been charged with any and said the company was conment was co-operating fully in has not been charged with any

Mr Son declined to say when the investigation would be

Raids on Peregrine's offices sent jitters through Hanoi's foreign investment

A spokesman for Peregrine in Hong Kong, Mr Alan Merducting its activities legally, under an "investment advisory licence" status, granted to it by the Vietnamese authorities.

Mr Mercer said Peregrine's representative office licence status was understood to he

"As far as we are aware, we are operating legally in Vietnam and have not avoided duly payable taxes. What we're doing is within the terms of our licence," Mr Mercer said. He added that the question of car tax was a matter of a dispute over import duty. which can be an issue with

Mr Mercer said the people's committee had not informed Peregrine of any of the results of the investigation so far, but ment was co-operating fully in providing information that was

Mr. Son declined to say how long Peregrine Capital Viet nam had been under surveil lance, saying only that inspec tnrs had begun their investigations after separately making inquiries at other Vietnamese companies.

They had been following the trading activities of other businesses, who were showing signs of improper trading, Mr Son said.

No other foreign companies were being investigated, Mr Son said, adding that there were no plans to launch a cam-paign of inspections of the over 1,000 foreign representative

lars in local banks and led many people

to immediately convert their kyat

But some businessmen and govern

ment officials are wary of this theory

because it relies on the questionable

assumption that the use of the banking system is widespread. Instead, they argue, the signing early this month of a

\$300m contract with a group of local

investors to improve the main Rangoon-

One well-placed government employee says an immediate signing fee

of several million dollars was called for

and local investors had to scramble

quickly to buy up most of the outstand-

Trading companies have pinpointed a

different problem for the kyat: conges-tion at Rangoon port, where one of its two main cranes is broken. This has

caused a fall in export revenue and thus

lowered the supply of dollars on the market. Normally, this would be offset by a corresponding decline in imports,

but on Monday an auction of unclaimed

goods, including 62 new cars, was held,

Mandalay highway is to blame.

ing dollars on the market.

savings into US dollars.

### Taiwan gives over telecom

By Laura Tyson in Taipei

stakes

Taiwan will permit foreign companies to take an effective stake of roughly 60 per cent in domestic telecommunications ventures, in a broad "reinterpretation" of legislation in January capping fureign shareholdings at 20 per cent.

The change was agreed under heavy pressure from Washington, which is now holding telecommunications talks with Taiwan anthorities to Taipei.

Under the new interpretation, foreign companies wanting a larger stake in commun-carrier service ventures can circumvent the 20 per cent celling by establishing joint ventures with local companies as long as the foreign partner holds no mnre than 49 per cent. Such joint ventures are legally considered Taiwanese. not foreign.

Talwan's legislature to January passed a reform package lifting a government monopoly no telecommunications services and opening the market to foreign participation.

At that time, foreign telecommunications concerns were disappointed when, in a last-minnte reversal. legislators reduced a ceiling on foreign stakes from 83 per cent to 20 per cent. Taiwanese anthorities refused to revise the telecommunications law. designed to protect a strategic and Incrative Industry, hnt have compromised by allowing It to be interpreted more

broadly. Separately, the US has also demanded that Taiwan scrap a profit-cap rule, but nn agreement on the matter has vet been reached.

Taiwan laws set a cap of 8.5 per cent to 11.5 per cent on profits earned by telecom nperaturs. The talks are scheduled to end tomorrow.

ASIA-PACIFIC NEWS DIGEST

### Inflation 'to fall in Australia'

The Reserve Bank of Australia believes the country's annual inflation rate will fall back into the 2-3 per cent target range during the second half of this year, it said yesterday. The last reported figures, for the March quarter, showed a headline

rate of 3.7 per cent. In its latest hulletin, the bank, the country's central monetary authority, said its optimism was based partly on a moderation in the growth of wages, a key area of concern in recent months. "The majority of economic indicators point to modest growth in activity overall, with no general pressure on labour markets nr capacity constraints".

Australia's federal government is to axe its entire regional development department, which was combined with the transport department after the March 2 election, in its efforts to achieve A\$8bn (\$6.4bn) spending savings over the next two years. The decision will mean the loss of 220 jobs. Also, Mr John Sharp, transport minister, said his department would sava A\$150m next year by scrapping the "Better Cities" urban renewal programme, introduced by the previous Labor Nikki Tait. Sydney

#### Visa sales increase in Asia

Visa International said yesterday its sales in Asia, outside China, rose 26 per cent to \$25bn in the first quarter of calendar 1996, against the same period last year. Sales in China for the year ending March 1996 were \$50n, but Visa gave no percentage rise over the previous year. The company said its annual Asia volume, including China, rose 27 percent to \$101.1hn. fts overall share of the international credit card market in Asia was nearly 60 per cent. Visa saw strong growth in the region, with 90.4m Visa-branded credit cards on issue by March, 21 per cent up on a year earlier. Reuter. Singapore

#### China general eases HK fears

The commander of China's future garrison in Hong Kong yesterday sought to ease worries about the presence of People's Liberation Army troops, assuring the territory his forces were "civilised". Major Gen Lin Zhenwu's comments came during a three-day visit to Hong Kong, the first by a senior PLA officer, in preparation for next year's transfer of sovereignty from Britain to China. "We will tell our compatriots in Hong Kong the nature and objectives of the PLA. We will use action to explain our image as a civilised army." Gen Liu added.

The visit by Gen Liu, following a visit to southern China by eaders of the British forces stationed in Hong Kong, appeared to create a favourable impression. An editorial in Ming Pao, the independent dally newspaper, said Gen Liu'a visit marked John Ridding, Hong Kong the start of a new era.

#### Lokyo store sales rise

Sales at department stores in the Tokyo area rose for the sixth straight month in June due in part to favourable weather, the Japan department stores association said. Sales at the 29 stores operated by 14 member-companies grew 1.4 per cent from a year earlier to Y199,4bn (\$1.8bn). The June growth was bigger than the 0.5 per cent increase recorded in May, it said.

The association attributed the growth in the reporting month to favourable weather conditions. There were also five weekends in June, one more than the same month last year, which belped to boost sales. Corporate demand remained stagnant, and demand related to the summer gift season was also sluggish, the association added,

### Kyat tumbles in troubled Burma

community

Ted Bardacke in Mandalay examines the reasons for the currency's sharp fall

to a foreign visitor as darkness falls in the once-heavenly city of Mandaloy in the Burmese heartland. He thrusts forward a few worn banknotes and, lighted cigarette still in his mouth, whispers: "Change money, change

money."
Nervousness over political instability and the psychological impact of the withdrawal of western companies from the country may be part of the reason wby the monk bas to provide a lot more Burmese kyat for the lourist dollar than he did just a few months ago. Last Friday the kyat suffered its sec-

ond sizeable depreciation in as many months. Although the official rate remains six kyat for one US dollar, the market rate fell from a two-year plateau of 125 to the US dollar to about 145 in late May and then again to yesterday's

This fail has followed piecemeal liberalisation of the foreign exchange market, which earlier this year eliminated the two-tiered system for everything except book-keeping and certain transactions with the government. Licences have been issued to a bost of money changers, who now do a brisk and open trade in US dollars and Thai baht. That the official rate is maintained at

all is a recognition by Burmese authorilies that they do not have the hard currency to back up a fully liberalised

he maroon robed monk sidles up exchange regime. Despite a slight increase in international reserves last year, in fiscal 1995-96 Burma's current account deficit more than doubled to over \$700m, according to recently

released figures. Burmese financial authorities say they will scrap the two-tier system com-pletely once concessional funds from the international financial institutions, like the World Bank and the International Monetary Fund, are made avail-

But with such monies still held hos tage to political fortune and government purchases unaffected by market movements, authorities are letting the market rate find its own level.

Worries about political stability in a country whose leadership has been widely condemned by the western world is the most common explanation among foreign exchange dealers for the rapid decline of the kyat.

There has been increasing pressure for world-wide sanctions against the military backed junta which in May detained over 200 parliamentarians. Although most have been released the west has grown increasingly irritated at the failure of the regime to reach an accommodation with Ms Aung San Sun Kyi, whose National League for Democracy won the 1990 elections. in the past few months there bas

been a growing western consumer boy-



Aimg San Sun Kyi: hard times

cott of companies which invest in Burma and this has led to Carlsberg and Heineken withdrawing from brewery projects there.

Foreign exchange dealers say that when the government removed a 10 per cent tax on foreign currency deposits for Burmese citizens last month, this ended the penalty for holding US dol-

thus creating a sudden demand for dol-

No one can explain with absolute confidence why the kyat has fallen so fast in this shallow market, but for the monk one thing is clear: "Lots of things to buy but this no good," he says pointing to his handful of kyat.

#### **NEWS:** WORLD TRADE

### Pakistan to crack down on child labour

in Islamabad

exi! his

.bro

ıngı

Gu

-Jove

..than

thar

EUE

othe

ralr

cont

uπab

lisbe

rear

unga

confi

irvin

Abbc

rathe

exqui:

ses, th

dank

plots Fran

addit

novel

the G

**Vites** 

ine M-

humoi

doxic:

unnec

second

Alth

Pokistan has ordered local authorities to raid factories employing children in its latest effort to deflect mounting international criticism and threats of trade sanctions for its labour practices. Prime Minister Benazir

Bhutto has also asked officials and the human rights ministry to look into the issue of child labour and take remedial

Pakisten was heavily criticized in April last your after the lobal Masih, who was shot

ers had plotted to kill him were subsequently discredited and an investigation by the Human Rights Commission of Pakistan (HRCP) concluded that his murder was unrelated to his campaigning activities.

But his death and concerns over bonded or slave labour prompted growing demands by western governments for tighter labour regulations. One Pakistani official said: "Never

The incident prompted fears

before have we had so many

that exports were not manufactured by children working as

of repercussions affecting carpets and other exports suspected of being produced by bonded or child labour. Labour Minister Ghulam Akbar Lasi has asked the commerce ministry to launch, within a month, a special mark scheme for carpets and footballs to certify that no child labour was used. A similar

scheme will be launched for

man Joseph Kennedy said a quarter of the estimated 35m footballs made each year in Pakistan were stitched together by children working eight to 12 hours a day and earning as little as six cents an

Mr Mian Habibullah, chairman of Pakistan's export promotion bureau, said recently: "Having labour laws is not enough. We have to enforce these laws to show the world that we are not encouraging cbild labour in our footballs following a recent country."

departments raided 7,003 businesses between January 1995 to March 1996, the labour ministry says.
The anthoritles prosecuted

2.538 employers of whom 395 were convicted and fined under child labour laws.

Mr Lasl said he had asked the authorities to ensure that

violaters were sent to prison and not just fined. Punishment can range from a fine of Rs50,000 (\$1,428) to five years The HRCP claims 10m children out of a population of

kilns, farms, carpet manufacturing, workshops and restanrants, working the same hours as adults, but getting pald

much less. The government does not accept the unofficial estimates of the child workforce and has ordered its own study jointly with the International Labour

Organisation. In 1990. Pakistan ratified the UN Convention on the Rights of the Child that prohibits child labour, but legal experts say legislation needs to be enacted to implement it.

### Foreign telecoms operators eye Malaysia

Eight players will compete where the government said three would be ample. James Kynge reports

the unexpected, it was a surprise when, early this year, the government said the relecommunications market was overcrowded and insisted that severaj operators should merge. When it reversed that policy this month it was another bombshell, Suddenly eight

players are again set to com-

pete in an industry where the government had maintained that three would be ample. Calm is now returning after a week in which investors and analysis have reviewed their forecasts. Most observers regard the policy reversal as a blow to Telekom Malaysia, the country's largest listed company. The state run former monopoly will have to centend with a constellation of smaller niche players each attacking lucranive segments of the marker. To make malters worse,

customers overseas. in truth, mobody expects Telekom will lose its dominant position or fail to record healthy rises in revenue. But the company is likely, nowover, to suffer significant narrowing in operating margius and a fall in murket share in its fixed-line business, it may also have to light a pricing bat-

several among Telekom's com-

potntors have recently forged

alliances with foreign partners

able to supply expertise and

nationally experienced players who are very aware of bow to ticularly from multinationals," said Mr Neil Juggins, Asia telecoms analyst with Paribas Capital Markets in Singapore. Latest foreign company to enter the fray was Swiss Tele

operator. Last Thursday it market because with Swiss a good chance of finding oversatellite earth station to use.

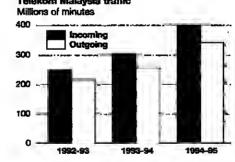
international carrier Unicalls not only to Malaysia but also to other countries in the Bioariane, an unlisted company 20 per cent owned by

alaysia's telecoms the in the profitable interna-ing accustomed to the interpolation of the profitable interna-tional direct dial (IDD) market. "Telekom is up against inter-

com. Switzerland's national capacity will be reserved for bought a 30 per cent stake in (\$255m). The tie-up represents a direct challenge to Telekom in the international telephony Telecom's help Mutiara stands seas customers to put its new Through its alliance with the

source. Swiss Telecom hopes to strike agreements with oversens telecoms companies to use Mutiara's satellite facilities for region. Further competition for the international direct dial (IDD) market is expected from Bahy Bell US West.

The owner of Malaysia's only communications saiellite. Binariung plans to start beaming down 20 channels of television later this year. But analysts also expect that some satellite Malaysian telecoms traffic: how much and where it goes



% of outgoing traffic (1994-95)

telephony. Perhaps the most formidable opponent for Telecom is Tech-

nology Resources Industries, in which Deutsche Telekom took a 21 per ceot stake in June for an estimated US\$570m. The German company plans to help TRI develop its international business by forging relationships in much the same way as Swiss Telecom hopes to do for Mutiara. Deutsche Telekom is the biggest telecoms company in Europe and analysts said it may be able to field considerable overseas business.

The IDD business is the most profitable segment of the market and typically yields operating margins of above 40 per cent. With annual growth predicted at above 20 per cent for the next five years, there is a good chance that all operators will find eoough revenue to sustain themselves. But it seems likely

derives 25 per cent of its revenues from IDD calls, will lose

market share.
In the domestic fixed-line business the story is similar. panies which the government had said it wanted to see merced, may develop into a dangerous competitor for Telekom. Part of the powerful and politically well-connected Renong Group, Time has spent M\$2.2bn over the past two years laying 4,000km of fibreoptic cable. Although it has only 5,000 subscribers so far, it has begun successfully target-

ing large corporate customers. "Competitors of Telekom may take 20 per cent of the IDD and domestic trunk call market by the year 2000," said Mr Hoo Han Kiyong, telecoms analyst at J.M. Sassoon and Co in Kuala Lumpur. Their share now is less than 5 per cent. Just days after the government announced the reversal of its policy. Time outbid Tele-

a local cellular operator. The alliance will allow Time to use Sapura's radio equipment to reach clients in areas where laying cable would not be economic. It also gives Time a licence to operate in the fast expanding cellular market.

About 1m among Malaysia's 20m people are mobile phone subscribers but analysts predict 5m users by the year 2005. The business is currently dominated by Celcom, a subsidiary of TRI, which has built up a 70 per cent market share. Telekom has launched an

aggressive drive to capture mobile phone customers and this is expected to win considerable success. But competition will be tough - Mntiara, Celcom and Time are all about to begin new sales promotions.

Even while it fights competition on all sides. Telekom has to fulfil its obligation as the provider of a universal service to all parts of Malaysia, including remote and unprofitable that Telekom Malaysia, which kom to acquire Sapura Digital, areas. Under its own plan, the

company hopes to increase the number of lines it operates to 5.3m by the end of 1998, from a 3.5m now. This and other planned expansions are expected to require capital expenditure of between M\$3bn and M\$3.5bn annually over the next three years.

Analysts said the company, which posted a 15 per cent rise in pre-tax profits to M\$1.93bn in 1995, may decide to raise its capital expenditure now that government policy on consoli-

A spokeswoman said the company could not comment on its future strategy. But if Telekom Malaysia does decide to raise spending, it is likely to do so before January 1 1999 when it must allow equal access for all competitors to its network.

Bnt although Malaysia is

keen to see lower telecoms tariffs as a means to attract foreign investors, the government will not allow one of its most profitable companies to be run into the ground in the process. Two surprises last week went in Telecom's favour - the company was awarded the country's second internet provider's licence and given a concession to lay the "backbone" infrastructure for a grandiose scheme to create a 600 sq km "Multimedia Super Corridor" for software and information

processing companies. The value of both awards is somewhat difficult to judge but if Malaysia is successful in remaking itself as an information technology hub for southeast Asia, then Telekom will be best positioned to reap the

WORLD TRADE NEWS DIGEST

# power contracts

China yesterday awarded two nuclear power plant contracts to foreign companies. Framatome, the French state-controlled nuclear reactor builder, signed an agreement to produce parts for 1,000MW plants and the Korea Heavy Industries and Construction company won a \$150m contract from China National Nuclear Corporation to supply nuclear power plant facilities. Framatome and the Eastern China Electric Group in Chengdu, capital of south-western Sichuan province, will co-produce heavy machine parts, such as steam engines. for Guangdong'a No.2 nnclear power plant.

· It is the first time the Chinese enterprise has participated in manufacturing heavy machine parts for nuclear power plants with a capacity of 1,000MW. The two sides also concluded a long-term co-operation contract to develop jointly nuclear power plants in China. Foreign Staff

### US resumes insurance talks

Japanese and US negotiators yesterday resumed talks on the insurance sector in an effort to settle their bilateral dispute by a July 31 deadline. At the centre of the dispute is Japanese life insurers' entry via subsidiaries into the so-called third sector market for accident and long-term illness insurance, where foreign insurers are strong. The US says Japanese subsidiaries should not be allowed to enter the sector until the rest of the insurance market is sufficiently deregulated to allow fair competition. Insurance is one of four areas of bilateral dispute between Tokyo and Washington, the others being semiconductors, aviation and photographic film. Reuter, Tokyo

BMW's India venture approved

India yesterday approved a joint venture between BMW of Germany and Hero of India to build cars. BMW and the Hero group, controlled by the Munjal family, signed a memorandum of understanding in March before sending the proposal to the government for approval. General elections and a change of government earlier this year delayed the approval. BMW will control 51 per cent of the venture, which will be called BMW India. One of Hero group, Hero Motors, is India's largest manufacturer of motorcycles and enjoys a technology tie-up with BMW to make 650cc machines.

The initial capacity of the car plant will be 10,000 units per

where Hero makes its motorcycles. The company is expected to make the BMW 5-series semi-luxury cars. Reuter, New Delhi ■ British Aerospace Australia, part of the British defence

year. The plant will be located at Noida, near New Delhi.

group, has won a three-year contract to operate and maintain Australia's national broadcasting network in South Australia and the Northern Territory.

The agreement, worth A\$19m (US\$15.2m), is a sub-contract arrangement with Television New Zealand, the state-owned broadcaster. TVNZ, via its broadcast communications unit. won a A\$60m contract to run the Australian network in South Australia, Queensland and the Northern Territory in April. The contract covers all facilities used to transmit programmes put out by the Australian Broadcasting Corporation and SBS -Australia's public broadcasting networks - on radio and TV. and international high frequency services. Nikki Tait, Sydney

 Alcatel Alsthom of France won a FFr200m (\$38.75m) contract with the Brazilian company Nova Dutra to supply an electronic highway traffic control system. The systems will be installed on behalf of Nova Dutra, a concessionaire of the highway between Rio de Janeiro and São Paulo. Installation will be completed by next year. Stephen Fidler, London



/ 形型银色图 图

fiber-optic cable, and much more.

Now, how can we help you?

our ability to listen to our customers and partners.

In 1995, LG's annual sales grew 40% to over US\$64 billion.

NE 181 181 182 183 1

Dr. Y. M. Lee and chip designers, Hangar One, Moffett Field, Sunnyvale/Mountain View, California.

It's nice to meet you.

Today computer chips either evolve at an astonishing pace or they become as antiquated as the dirigibles once housed at Moffett Field.

LG Semicon, in concert with its partners at Chromatic Research in nearby Mountain View, is at the forefront of one of the most

We're active in many other areas of business too, including biotechnology, high-definition television, merchant banking, high-speed

Diverse as these businesses are, they all share one thing in common: the deeply held belief that our success is chiefly dependent on

http://www.lg.co.kr/

far-reaching chip developments that Silicon Valley has yet witnessed. It's called the Mpact™ media processor, and its ability to perform

over two billion operations per second has allowed it to become the first single chip to integrate all seven key multimedia functions.

FINANCIAL TIMES THURSDAY JULY 18 1996

The same the world

No.

Mar Such Street Will a His

Montag Service of the servic MARK BALL F. A Shipper to your year

sales increase in Asia AND STATE OF THE PARTY OF THE P

in general cases HK fea The state of the s Mary Charles and Army

Serger of the Contract of With the Market Control Fig. 12 Sept. 19 Sept 

re store sales rise August 15 ... BOAL F

were reference to the con-April 1 Andrew to the second A Hill State Comment 事情 医二氯甲基二氯

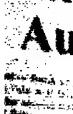
manner ment and talk

\*\*\* The State of t Man To At Augustia

**联合图域** The state of the s







-

Emer Francisco





### EU unites over US measures against Cuba

By Guy de Jonquières, Stephen Fidier

European Union officials said yesterday they would continue to work on responses to US anti-Cuban legislation, in spite of President Bill Clinton's decision to delay court actions against foreigners dealing in Cuban properties confiscated from

They said Mr Clinton's move had not removed basic objections to the Helms-Burton legislation or weakened their opposition to US attempts to impose its law on the rest of the

Sir Leon Brittan, the EU trade commissioner, said the president's decision to postpone for six months the lawsuits against foreigners "trafficking" in confiscated Cuban

to the concerns of US trade partners. Ha said he was particularly concerned about two aspects of the law. Mr Clinton's decision had had no effect on Title IV, under which direc-

tors, shareholders and executives of companies investing in confiscated Cuben assets are barred from the US. Furthermore, although the right to sue has been postponed, liabilities can still be incurred by foreign companies dealing with Cuba. The president can reinstate the right to sue at any time and after November 1, suits would

then be filed immediately. According to Mr John Coogan, a Washington lawyer, this ensures that the powerful disincentives to investment in Cubs, and to other business in Cuba, will continue". One unexpected effect of the legisla-

tion has been to unify the often quar-

observers say they have rarely wit- the EU needs to demonstrate clearly nessed greater solidarity, or stronger demands for immediate action among EU foreign ministers than was displayed at this week's council meeting in Brussels, just before Mr Clinton announced his decision

At an operational level, the 15 member states and the Commission are also co-ordinating activities closely through a special task force composed of representatives from their embassies in Washington. How far this unity will translate into agreement on the next phase of the EU campaign should become clearer today, when member states' ambassadors to the EU meet in Brussels.

Though Mr Clinton's action has lowered the political temperature, per-haps until after the US presidential elections in November, several governments are expected to argue that

that it is committed to keeping up the pressure on Washington.

Their resolve is likely to be stiff-ened by the US Senate's approval on Tuesday of draft legislation providing for sanctions against investors in Iran and Libya which are even tougher than those already passed by the House of Representatives.

The planned legislation could have a much bigger economic impact on European companies than the Helms-Burton Act. The EU has already warned congressional leaders that it will react strongly if the bills become

The Senate version of the Iran-Libya bill contains two important changes in the section dealing with Libya, at the insistence of Senator Edward Kennedy. One would require companies rather allow him discretion over sanctions. It is not clear yet bow the differences in the two versions will be resolved.

EU ministers have instructed Sir Leon to draw up a list of retaliatory measures against Helms-Burton, However, it is unclear which of them are likely to be put into effect, or when.

Some EU policymakers argue that it should quickly introduce reprisals, such as visa restrictions on US corporate executives, to signal its displeasure with US policy. Another option would be to bold retaliation in reserve until February, when the White House will decide whether to renew its moratorium on Helms-Burton lawsuits. EU members are also discussing a parallel initiative - as proposed by the US - that would bring closer together the US and European posi-

# accord

Peru to

Mr Jurge Camet, Peruvian economy and finance minister, will today present his country's case for restructuring its 9.25bn debt with the Paris Club group of bilateral sover-

The Parts Club accounts for around 28 per cent of Peru's total debt stock, which was revised sharply npwards recently to \$32.45bn in advance of a "Brady" deal with commercial bank creditors. Of Peru's 16 bilateral creditors, four account for more than two-thirds of the total: France with \$1.82bn, Japan \$1.76bn, the US \$1.49bn and Italy \$1.17bn.

Since its last agreement, Peru has paid the Paris Club \$329m. \$354m and \$403m in 1993, 1994 and 1995 respectively. Peru's basic objective in Paris will be to ensure that servicing for the next three years is pegged around current

This aim is almost certain to be met. It corresponds to the payments schedule already sanctioned in Peru's letter of intent with the International Monetary Fund, which in essence contains the country's official economic programme for 1996-98. Approved by the IMF board on July 1, the letter guarantees the Fund's backing

for Peru in Paris. However, Peru has a more ambitious proposal - a definitive restructuring of obligations as from 1999. This would involve all pre-1983 debt with the Paris Club, estimated at around \$6.5bn or 70 per cent of the total. Pern would seek to reschedule its debt over 25 years under conditions similar in those recently granted to Russia.

Current annual payments of around \$400m already represent a substantial concession by official creditors. Without an extension of the relief granted in 1993 - when Peru returned to the international financial fold after a decade in the wilderness - annual servicing on Paris Chub debt alone would top \$1bu.

That, however, would be equivalent to around 20 per cent of export earnings and similar to total current debt

service payments.

Despite high international \$8bn, a record), and a steadily growing economy, Peru's real capacity to pay its creditors is still limited. From next year, it will have to include an additional \$300m a year for the soon-tn-be-signed Brady restructuring plan.

Mr Camet believes servicing levels contemplated in the letter of intent are realistic, however. Peru expects another \$6bn in income from privatisations by 1998, with associated investment commitments around the same again.

### **Party** seek Paris lines up Club debt to advise Dole

Service.

Stork buys Fe

unit for FI 30

. And the state of the state of

. L. .

--- L. abjac.

--- " Tex 1.6%

**计算数数据**统

\* \* Lat

eries . ....e

By Jurok Martin in Weshington

Mr Bob Dole is being bombarded with advice on how to rescue his faltering presidential campaign as each day seemingly brings worse news. The advice ranges from demands by conservatives that he embrace an ambitious taxcut programme as the centrepiece of his message, to the more prosaic counsel that he stop engaging in the off-the-cuff repartee with the media that has produced so much

recent controversy.

The latest polling jolt came from the Harris organisation. It found President Bill Clinton up by 53-31 per cent among registered voters, a 5 point improvement in a month. Mr Clinton was ahead by 25 points among those most likely to vote. The poll is the third national survey this week to put Mr Clinton up by at least 20 points, a significantly larger edge than recorded in June. All three put support for Mr Ross Perot of the Reform party in the mid-teens, meaning that Mr Dole is competing with the 1992 independent candidate for the anti-Clinton vote.

Mr Dole appeared over the last 24 bours to be heeding the advice of campaign aides to cut down on his exchanges with the media. A "unity" lunch on Tuesday with all the defeated. Republican primary challeng-ers except Mr Pat Buchanan found the candidate ducking all questions.

It was left to Senator Dick Lugar of Indiana to comment afterwards that Mr Dole "may not have so many incidental moments coming and going

with reporters". But his campaign's strategic message, particularly on economic policy, remains in its formative stages, especially on the tax-cut issue. Mr Dole's reputation is as a "deficit hawk", more interested moving towards a balanced budget than engaging in fiscal experimentation in the pursuit of growth.

But restless supply side conservatives, led by Mr Jack Kemp, former New York congressman and housing secretary, are seeking to force Mr. Dole's hand. Mr Kemp wants to convene an "economic summit" .
of Republicans on Capitol Hill, tentatively set for July 23, in cuts would be given a full hear-

Marge State of the A

He is seeking the support of the Republican congressional leadership - Senator Trent Lott, the majority leader, and Mr Newt Gingrich, House Speaker. While not wishing to embarrass Mr Dole in public. both may be tempted to conclude that preservation of their majorities in Congress may depend on the adoption of radical policies very different from those entertained by their par-ty's presidential candidate.

### Cuban economy 'will survive US sanctions'

Washington's Helms-Burton law will not stop growth, Vice President Carlos Lage tells Pascal Fletcher

owever tightly President Bill Clinton turns the screw of trade sanctions against Cuba, the island's economy will not only survive but continue to recover and grow, said Cuban vice president Carlos Lage. However, he acknowledged

that the Helms-Burton law. introduced by Washington in March, complicated tha prospects for economic recovery by slowing the pace of new foreign investment and increasing the financial cost to Cuba of external financing.

Mr Lage said in an interview this week that an improved 1995/96 sugar harvest and unexpectedly good results in tourism and nickel production had belped Cuba to achieve 9.6 per cent growth in gross domestic product in the first six months of this year compared with the same period of

Even if the [Helms-Burton] law is applied with all possible force, I believe the nation has the capacity to maintain its recovery," said Mr Lage, who is seen as Cuba's top economic strategist.

He believed the economy would fulfil, and maybe surpass, a projected GDP growth target for the whole year of 5 per cent. This would mean economic recovery gathering pace, following announced growth of

AMERICAN NEWS DIGEST

starts increase

Construction starts on new homes rose in June, the Commerce

Department said yesterday, adding to evidence of US economic

increased 1.3 per cent to a seasonally adjusted annual rate of

vibrancy despite fears of rising interest rates. Total starts

1.48m units in the month, after retreating a revised 3.3 per

cent in May.

The housing industry had enjoyed a surprisingly healthy period until May, when the decline in starts appeared to

demonstrate that rising interest rates were finally beginning

on single-family homes increased 7.4 per cent to 1.23m last

More American adults smoke

Latest figures on cigarette smoking in the US suggest that

efforts to stamp out the habit are failing. In spite of widespread anti-smoking sentiment and increasingly tough restrictions on smoking in public places, the proportion of

adults who smoke rose to 25.5 per cent in 1994, up from 25.0

proportion of smokers to 15 per cent of the adult population by

the end of the decade, but it is becoming clear they will fall far short of that goal. After declining rapidly in the previous 25 years, the proportion of adults who smoke bottomed out at 25

since. The Centers for Disease Control and Prevention, which

reason why people were not giving up. It also blamed the fall

Richard Tomkins. New York

Canute James, Kingston

reports the statistics, said nicotine addiction was the main

The Jamaican government has taken over the island'a fifth

largest commercial bank, saying that it was poorly managed

and the Central Bank could no longer support it. The Century

National Bank, which has been having liquidity problems for

the past year, bad received advances from the Central Bank totalling J\$4.32bn (US\$125m) up to last week, said Mr Omar Davies, the finance minister. This level of exposure of the

companies - Ceotury National Building Society and Century National Merchant Bank - and the bank's 49 per cent stake in a resort botel. The deposits of Century National's 50,000 clients

have been frozen for 60 days. Mr Davies dismissed opposition

charges that the takeover threatened the banking system. "It

is the considered view that the temporary closure of Century

National Bank poses no systemic risk," the finance minister

Move to protect key networks

The Clinton administration has urged US industry to join a

Government and industry must mount the equivalent of the

during the second world war to protect critical infrastructure.

"Manhattan Project" that developed the first atom bomb

Mr Jamie Gorelick, deputy attorney general, told a Senate

sweeping drive to protect computer networks and other

modern lifelines from attack by terrorists and others.

The government has also taken over two associated

in cigarette prices that followed a price war in April

Jamaica takes over bank

Central Bank could not continue, he said.

per ceot in 1990 and has remained at about the same level

US bealth officials bave set a target of cutting the

per cent the year before.

to take their toll. The department said that construction starts

month after falling 5.6 per cent in May. Housing starts rose in the west and south and dropped in the north-east and



Carlos Lage: "The law cannot halt the flow of investment" Anis Ad

The seasonal concentration of the sugar harvest in the first six months of the year weighed

2.5 per cent and 0.7 per cent in heavily in the first-half 1996 growth figure.

Mr Lage said that, regardles of how the Helms-Burton law was applied, its biggest evil was the way it sought to intimidate foreign investors in Cuba by threatening US sanctions against those judged to be "trafficking" in assets confis-cated after the 1959 revolution. Mr Clinton on Tuesday sought to placate US trading partners by imposing a morato rium of at least six months on the filing of suits under the law, but the threat of eventual

Mr Lage ruled out direct compensation settlements with individual US claimants to nationalised properties, saying Havana would prefer an overall government-to-government

solution with Washington.
Cuba was pleased with the intense international condemnation that had greeted the US legislation, led by the EU, Mexico and Canada. Mr Lage said foreign companies operat-ing on the island had been practically unanimous" in their determination to stay. We believe that the law can-

not halt the flow of investment... It might affect, limit But GDP still remained or delay it, but not halt it," he

yet left behind the savere recession triggered by the collapse of trade and aid ties with the former Soviet bloc.

had been aigned aince the already forced to obtain under onerous short-term, high-intertion, bringing the accumulated total in Cuba to around 240.

already forced to obtain under onerous short-term, high-intertest conditions because of the US embargo, Mr Lage said.

Asked about reports that some companies had with-drawn, Mr Lage replied: "There have been no withdrawals among those who are investing in Cuba." On the reported pull-out by

Mexican cement giant Cemex, he said another institution, not Cemex, was the real partner in a cement-producing venture in Cuba. "The joint company is continuing to operate and the investment in cement is continuing," he said.

nt some financing flows had been interrupted as some foreign banks and companies moved to protect themselves by changing the way they operated in Cuba. This was the case of the ING Group of the Netherlands, which announced earlier this month that it would not continue a financing contract for two Cuhan sugar-growing provmees. Mr Lage said that "by mutual agreement", ING had discontinued this contract but was maintaining its financing

operations in Cuba. Protactive restructuring moves prompted by the Helms-Burton law could effect the depressed from 1989 levels, said. He cited the fact that 25 timing and final cost of foreign showing the economy had not foreign investment projects credits, which Cuba was

"Every measure that increases the US hostility against Cuba carries with it a greater cost for our nation. It raises the 'Cuba risk' factor and interest rates and makes negotiations more difficult," he added. This financing squeeze was a big difficulty for Cuba's

recovery efforts.
Discussing the economy, Mr
Lage said the 1995/96 sugar harvest produced 4,445,000 tonnes. Although this was 55,000 tonnes short of the official target, it still bettered by more than 1.1m tonnes last year's disastronsly low crop of 3.3m tonnes.

Tourism, the fastest growing new sector, had also performed strongly in the first six months of this year. Tourist arrivals reached 494,000, an increase of more than 46 per cent over the same period last year. Over the whole year, the tourist sector was expected to better its projected annual growth target of 25 per cent.

Nickel production up to June had increased by more than 30 per cent to 27,400 tonnes, indicating the island was on track this year to beat the 1939 production record of 46,592 tonnes. Industry, excluding sugar, grew more than 10 per cent.

### Second minister quits in Argentina

in Buenos Aires

Argentina's opposition has rounded on President Carlos Menem after the second ministerial resignation in a week, claiming the departures were a sign of instability and corruption in the administration.

Mr Oscar Camilion, defence minister, who has been under pressure for allegedly permit-ting illegal arms sales to Ecuador and Croatia, handed his resignation to Mr Menem just hours before the president left

Mr Menem said he would consider the resignation while away and would not name a replacement until his return.

The departure of the defenceminister follows last week'a resignation of Mr Rodolfo Barra as justice minister after a magazine revealed he had belonged to a neo-Nazi group in his youth.

Mr Barra admitted his regret at having joined "anti-semitic" organisations. However, analysts played

said the departures of both men were necessary and gave Mr Menem "the opportunity to improve the image of his gov-

Mr Camilión has for over a year denied knowledge of, or involvement in, the sale of rifles and 75 tonnes of ammunition to Ecuador in February 1995. The sale of Argentine arms took place at the height of Ecuador'a border conflict with Peru, a traditional ally of Argentina in regional and international affairs.

for a four-day visit to the US. endo Fraga, a political analyst. It was later revealed that Argentina's state-run arms manufacturer, Fabricaciones Militares, had made sales to Croatia despite a UN-imposed arms embargo, and that the arms could have been used against Argentina's own peacekeeping troops in the former

Yugoslavia. Mr Camilión gave up his fight to retain his job after a federal judge ruled there was a sufficient evidence to question the defence minister over a possible cover-up of the illegal

### The city the US recovery left behind n theory, New York City should be booming. The US

economy has experienced a prolonged period of growth. wall Street, in spite of recent setbacks, has been enjoying one of its longest-ever bull markets, and the weak dollar has brought an influx of highspending tourists.

Instead, New York is facing Its worst financial difficulties since its near-bankruptcy in the 1970s. Decaying infrastructure, run-down schools and empty office blocks are among the physical signs of weakness in the local economy, but the most telling symptom is the city'a struggle to balance its budget Employment growth is so weak, and the real estate market so moribund, that taxes on income and property cannot keep up with the rising cost of providing public ser-

Mayor Rudolph Giuliani, New York's first Republican mayor in a generation, came to office in January 1994 pledging to put the city's finances in order. Since then, he has slashed more than 20,000 jobs from the municipal workforce, cut welfare rolls by more than 120,000, and backed away at

Yet in spite of the cuts, New York City's spending is forecast to grow from \$32.7bn in the current year to \$35.8bn by the year 2000. The city is required by law to balance its books: but with revenues almost stabe, it is looking at a deficit that, even on the most optimistic assumptions, wili have reached nearly 53hn by

the end of the decade Reflecting the city's financial woes, Standard & Poor's, the US credit rating agency, last year lowered New York's debt rating to Triple-B-Plus, citing "chronic budgetary stress from York. Today's fast-growing year, not even Wall Street has

Surrounded by a national economy marked by rapid growth, New York faces its worst financial difficulties since its near-bankruptcy in the 1970s, writes Richard Tomkins

NVC jobs: skyline and bottom time:

long-term weak economic per-formance". Of other large US clties, only Detroit, Philadelphia and Washington DC score

Tha trouble with New York is that recovery has largely passed the city by. While most of the rest of the US has long since bounced back from the last recession and shown strong employmant growth, New York has clawed back less than a third of the 342,000 private sector jobs it lost between 1989 and 1992.

Many of the jobs that went were in manufacturing, and will probably never come back. But New York's bigger problem is that it is failing to attract enough jobs in new, growth sectors to replace those that have gone.

High taxes and high real estate costs are two strong disincentives to new industries. So is the quality of life, or lack of it: a recent poll by the Regional Plan Association, a New York-based advisory group, found that 49 per cent of New York's residents would move out of the city if they could, citing poor schools, high housing costs and street crime, among other things. This might matter less if

there were nowhere else to go.

But in a country as big and

diverse as the US, there are

many other business locations

to choose from, often with

much lower costs and higher

living standards than in New

west, not the north-east.

90

"New York is no longer the place where people feel they have to be," says Mr Claude Shostal, the Regional Planning Association's president. They almost have to justify what the hell they are still doing here." Traditionally, one of New York's biggest strengths has been its standing as the finan-

cial capital of the US. But in

spite of near-record profits last

been doing much to improve the city's lot. Any extra jobs generated in the securities industry have been more than outweighed by those lost in a continuing wave of bank mergers and through the relocation of back-office functions to states with lower costs.

New York City

Amid the gloom, it is possible to find some bright spots. Crime rates have plummeted over the past two years, and Mayor Giuliani has been waging a "quality of life" cam-

paign against petty offences. Ratailing activity, mean-while, has been lifted by a relaxation of planning controls which previously kept hig stores out of the city; the seedy and decrepit Times Square entertainment area is seeing a Disney-led revival; and one growth point has been the emergence of small, entrepre-neurial businesses developing Internet sites, multi-media software, on-line entertainment and other computer-related

However, Mr David Hensley, an economist at Salomon Brothers, says these elements will struggle to provide enough employment to compensate for the declines in other areas. It's very difficult to look at the city's various sectors and come up with one that is poised to become a major new driver of growth," be says.

Mr Mitchell Moss, director of the Tanh Urban Research Center at New York City Universlty, believes New York's future lies in knowledge-based industries. "New York is a magnet for people with brain power," he says. "That brain power isn't just in science or hiomedical research: it's in fashion, or finance, or developing new ways of marketing, and I think that's what makes New York strong."

But whatever the long-term outlook, New York faces difficult times in the near term as it struggles to live within its means. Even without a recession or a Wall Street crash, Mayor Giuliani will have to take a much bigger axe to public services than the one he has so far wielded. The fact that he has not done so already owes more to the fact that he faces re-election next year than to the prospect of any upturn in

### Jackson targets Mitsubishi

Mr Jesse Jackson, US civil rights leader, vowed yesterday to step up protests against Mit-subishi Motors over behaviour towards minorities and women workers in the US after an "unproductive" meeting with the company. Reuter reports from Tokyo.

Mr Jackson said Mitsubishi was just the first target of a campaign against car compa-nies in the US in the coming year, with another Japanese maker, Honda, next on the list. "We are going to go down car line by car line and challenge the automobile industry," he told a news conference after a 90-minute meeting with Mitsubishi executives.

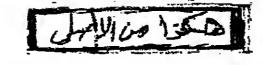
He denounced Mitsubishi and other carmakers, both domestic and foreign, for not hiring enough African-Americans, Hispanics and women, not putting enough minorities in executive positions and not giving enough dealerships to minorities.

Mr Jackson's Rainbow Coalition - a political and civil rights organisation - and other minority groups have boycot-ted Mitsubishi for several months.

Mr Taizo Yokoyama, Mitsubishi managing director, said the company wanted to keep its "lines of communication open" to the civil rights leader. The US Equal Employment Opportunity Commission has charged Mitsubish with creating a "bostile and abusive" work environment at its US subsidiary in Normal, Illinois. It alleges women were groped, grabbed and touched and forced out of their jobs if they

panel on Tuesday.

Presideot Bill Clinton set the stage for the move on Monday with an executive order setting up a panel to recommend measures to safeguard telecommunications, power systems, water supply, and gas and oil storage and transport. The administration began to focus on the issue after the April 19 1995 bombing that killed 168 people in an Oklahoma City federal office building. Reuter, Washington



the the to entries the

Karamatan Parang

 $\frac{1}{N} (\frac{1}{N} (\frac{1}{N} - \frac{1}{N} + \frac{1}{N$ ing the same of

ē. v

e 🛶 - Tr. V

A .... e de la companya de l

**医** Carry trans 664/Apr - + +12,12

- Ly "

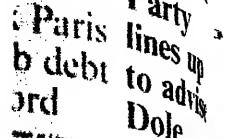
· The second

200 17 (1787) 1 - Yes A CONTRACTOR

Marine .

**2** 英文

targely



"Without effort, a great vision will remain just an unfulfilled dream."

FINANCIAL TIMES

### **COMPANIES & MARKETS**

OTHE FINANCIAL TIMES LIMITED 1996

Thursday July 18 1996

### MT 0800 '6' 11' 10DM **AVIS FLEET SERVICES**

IN BRIEF

### Stork buys Fokker unit for FI 302m

The dismantling of Fokker, the failed Dutch aircraft maker, began in earnest as receivers sold Fokker Aviation, its profitable components and maintenance division, to Stork, a domestic industrial group, for Fl 302.5m (\$180.5m). Page 16

Computer Associates has record quarter Computer Associates reported record results for its first fiscal quarter, buoyed by strong demand for its client-server" software products used on networks of computers. Page 14

AMR and TWA show strong upturn AMR, parent of American Airlines, and Trans World Airlines opened the results season for US airlines with sharp upturns in second-quarter profits. AMR had net income of \$293m, np 55 per cent. TWA reported net profits of \$20.4m after preferred stock dividends, up from \$1.2m a year earlier. Page 14

Mational Mutual brings forward listing National Mutual, Australia's second largest life assurance group, announced it would list on the Australian and New Zealand stock markets in October - a year ahead of its declared deadline. It is likely to be valued at more than A\$2bn (US\$1.58bn).

SGS-Thomson chip arm rises 53% midway SGS-Thomson Microelectronics, the Franco-Italian semiconductor manufacturer, reported "record market share gains" as it unveiled a 53 per cent advance in first-half net earnings. Page 16; Lex, Page 12

Com	panies	ln	this	lasu
				_

AMR	14	Intria	
Alftalia	.2	Kharafi	
Allied Irish Banks	17	MGM	
Auchen	18	MasterCard	
BAA	8		
BAT		Mercedes-Benz	
BOC	17		
Bank of America		Munich Re	
Billa	18		
British Aerospace	8		16
British Biotech	17		12,
Brown & Root	16		-
CRT	14	Ofivetti	
Cernex	6	Peregrine	
	. 6	Phillip Monts	
Century Nati Bank	0	Quelle ·	
Ciby-Geigy	. 2	Renault	
Compass Associates	14		
Costain	17	Reynolds Metals	
Pocks de France	16	Matheman	
Essette	18	SGS-Thomson	٠,
Europay			
Falconbridge -	14	Sendoz	
First Maryland	17	Sema	
Focker	16	Severn Network	
Ford ·	13	Smith (David:S)	
Fujitsu	15, 13	Stork	
GWR	17	Sumitomo · ·	
Gallahers	8	TCI	1. 1
General Electric	14	TWA	-
Grundia	12	Telefonica Int'i	- 4
HK Bank of Canada	14	Tesco	. 1
Helienic Shipyards	18	Time Warner	1, 1
ING Group		Toshiba	
Iceland		Turner Broadcasting	1,3
Imperial Tobacco	. 8	VEAG	

#### **Market Statistics**

Annuel reports service	24.45	F1-SE ACIDATION NATIONS	
Benchmark Govt bonds	18	- Foreign exchange	
Bond futures and options;	18	GRIs prices .	- 1
Bond prices and yields		. London shere service	24,
Commodities prices	20	<ul> <li>Managed funds service</li> </ul>	21-4
Dividends announced, LK	17	Money markets	1
EMS currency rates	19	New ind bond issues	
Eurobond prices	18	Bourses	28,
Fixed interest Indices	18	Recent Issues, UK	
FT/S&P-A World Indices	30	Short-form Int rates	
FT Gold Mines Index	26	US Interest rates	
ETASMA inti bood SVC	18	World Stock Markets	

### Chief price changes yesterday

	FRANKFURT	(010)				690		75
	Rines				SILIC	BBU	+	
	Karstadi	554	+	10	Falle			
	VEW	440	+	12	Demart	3760	-	120
	Wolfe	805	+	13	Fone Lyomeine	570		20
4	Felis				Sets	854	-	18
1	GEHE	909	_	17	TOKYO [Yes]			
_		871	_	14	Rises			
	Springer Axel Zaodasa Fein.	92.10		4.90	Acyema Tracking	2970	*	90
	MEW YORK		_		Nippon Sharyo	1050	+	40
	Rises				Palits			
	Computer Ass	45%	+	5%	Atomic Mylon	529	-	21
	Consol Stores	23%		3%	Honda	2640	-	70
		3234		3%	Charles	2150	-	60
	Kuhi'u Corp	41%		494	Takeo Blackoot	3130	-	100
	Vertione Pails	4174	•	•••	HONG KONG	Discold		
	Diana Corp	30	_	3	Rises			
	Product Briti.	314	-	1%	Cale de Corni	2.3	+	0.2
	LONDON P	nee)			Chine Buomics	4.02	25	
	Pilmon				Citate calanies	-14-	٠.	0.20
	Innovations	195	+	15	Tal Sung Land	3.77		
	Painford	205	+	67	IN SHIP CHA	0.0	٠.	0.2
	Scottish Power	316	+	8	Felia.		•	
	Colle				Float Pacific	11.90	١.	0.5
	Brit. Blotach	1963	-	67		2.5		-
	Saideborough	134	-	11	Kowong Stang Hg	2.0	<b>-</b> _	0.2
	teeland	118	-	24			_	
	TORONTO (	<b>38)</b>			Shanghai Pech	1.8	B -	0.19
	(Lines	24.60	_	2.65				
	Bre-X Minerals			1.30	BANCKOK F	(ادارد		
	Hemio Gold	15.90		2.15	Rices			
	PC Docs	20.75	+	E-19	Aula Shoe	40.5	7 +	1.5
	Page 1			0.50	Chinamai Fiz	38.00	} +	2.2
	ENLI Deta Sys	10 00		1.40	That Airmans	51.5	+	4.2
	Englan Res	9.50	-	1.440	Falls			
	PARIS (FFr)				Recording and	54.00	<b>3</b> –	5.5
	Rises				Indian-Thai	195.0		19.0
	BIC	666	+	23 20	Phaira hus	184.00		18.0
	imetti	715	+	20	Minne une		· .	
	THE STATE OF THE S							
					40 50			

### Ford posts surprise 21% advance

Ford Motor, which is carrying out an expensive overhaul of its product line-up in the US and Europe, surprised the US stock market yesterday with a 21 per cent jump in net income during the second quarter of the year, to

The increase owed much to the strength of the US company's financial services husinesses and a one-off gain from the sale of nearly 20 per cent of The Associ-

ates, a financial services unit. However, the results were nota-

Fujitsu aims

to produce

**MO** disc

next year

Alice Rawsthorn in London

By William Dawkins in Tokyo and

Fujitsu, the Japanese electronics group, plans next year to start production of a new generation

of computer memory discs with vast storage capacity.

The discs, which will also be made by seven other groups

including Japan's Sony and Phil-ips of the Netherlands, will chal-

Fujitsu saya its magneto-

optical or MO discs will be easier

to use than DVD-Rom and will have greater storage capacity.

An MO disc will store 6-7 giga-bytes of sound, video and data,

Fujitsu'a plans come as

another blow to the DVD consor-

tinm, led by Toshiha of Japan, as it tries to conclude negotiations with the entertainment and com-

puting industries over a copy-

Toshiba and other prospective

DVD manufacturers have been

forced to postpone this autumn's planned launch of the first DVD

entertainment systems until they

have settled the copyright issue.

Plans to introduce DVD-Rom

as its most promising product

since audio-CDs and video cas-

sette recorders, would stimulate sales in a sluggish market. DVD-

Rom'a success is seen as vital

since many manufacturers sus-

pect it has greater sales potential

than the entertainment format.

Plans for the MO disc cast a

cloud over DVD-Rom's prospects.

But the Fujistu camp has yet to

finalise MO's specifications. It

Fujitsu hopes the MO discs

next year are also on ice.

right agreement for DVD.

against 2.6 for DVD-Rom.

due on sale next year,

ble mainly for the evidence they presented of a fast rebound in earnings in the group's core auto-motive operations. These had suf-fered during the previous three months from the costs of launching models of a number of the company's higgast-salling vehicles on both sides of the Atlantic.

The news, which followed strong earnings reports from General Motors and Chrysler in recent days, helped dissipate some of the pessimism that has hung over the US automotive Yesterday, Ford climbed \$1%, or 4 per cent, during morning trading on Wall Street, to \$31%. Underpinning Ford's results were after-tax profits of \$1.1bn from its automotive operations, a rise of \$8m from a year before, on sales which rose 3 per cent to \$30.7bp. That represented an after-tax

profit margin of 3.6 per cent -just shy of the 3.9 per cent earned by General Motors' automotive businesses. In the first quarter, Ford's net margin had been only 0.5 per cent, reflecting launch costs thet most analysis had also expected to dant its second-quarter results. While noting the improvement, Mr Alex Troiman, the company's chairman, said: "We still have a lot to do." The benefits of an efficiency driva, which was introduced last year, should show through in the company's results in the coming quarters, he added. Profits from the company's US automotive business rose \$34m to

\$697m, while those outside the US fell \$26m to \$411m. About \$213m of Ford's latest net earnings reflected a \$650m gain from The Associates sale, offset in part by a \$472m loss on its sale of Budget, a car rental

company. Earnings per share for

est rates in August, new vehicle sales this year should reach 15.5m, an increase on 1995, said Mr David McCammon, Ford's

vice-president for finance.

He said the company did not expect the recent instability in share prices to have much effect

before these one-off items -about 16 cents above the mar-

Meanwhile, the company reaf-

firmed its generally optimistic

forecast for the US car and light truck markets. Even if the Fed-

eral Reserve moves to raise inter-

ket's expectations.

Mr Bernd Gottschalk, head of the commercial vehicle division of Mercedes-Benz, has resigned over "different views" about the German group's internal division of

Mercedes

trucks

chief

responsibilities, according to the The resignation of one of the top executives in the Daimler Benz concern comes at a critical division, whose truck business has lost competitiveness against other European manufacturers, and which is runoing beavy

The commercial vehicle busi ness had a turnover of DM3t.6bn (\$21bn) last year, almost a third of the turnover of the entire Daimler-Benz concern. Because of the size, Mercedes has created a sub-structure in the division, comprising five product and two regional sub-unit

Mercedes said Mr Gottschalk's decision was personal and not related to a restructuring programme, which Mercedes is negotiating to enforce at its German truck unit.

Mercedes-Benz said last night that Mr Gottschalk's views about the planning and control functions in the company were not in tune with those of the company, It said there had been no disagreement about model and market policy. The resignation reflected Mr Gottschalk's frustration about the company's policy of devolving responsibility down the line towards individual busi

Mr Gottschalk was not available for comment last night. One industry analyst, who declined to be pamed, said the move was about "who takes the credit for the eventual turnround

in the business". Mr Helmut Werner, chairman of Mercedes-Benz and a former head of the commercial vehicles acting bead of the unit, but Mercedes yesterday said that it was looking to find a replacement for Mr Gottschalk.

Mr Gottschalk, 53, has asked the supervisory board to end his contract as of August 1. His contract was due to run until 2000. During the 1980s, Mr Gottschalk held the position as chief of public relations at Daimler Benz.

Mr Helmut Werner, chairman of Mercedes, said last month that the trucks business would need to incur savings of DM1bn to remain competitive against lower cost European manufacturers especially Volvo and Scania, the Swedish truckmakers.

Mercedes said receotly that it was looking for a DM1hn cost savings programme that would affect all areas of the business. including administration, produc tion and marketing. Negotiations are under way with the works councils in four German truck plants over the implementation of the cost-cutting measures. The plants employ 30,000 staff.

The division also includes a

van and a bus manufacturing unit, and Freightliner, Mercedes

Richard Waters surveys this summer's US corporate results season he summer earnings sea-son is only just cranking into top gear on Wall Street, but already one thing is clear: fears that the US corporate

profits miracla is cracking are largely misplaced. Profits warnings in technology and healthcare since last week have fed concerns that US corporate earnings are wilting. After more than four years of surging profits, thet would remove one of the pillars that has underpinned Wall Street's rise.

The timing of those warnings has accentuated their impact. Coming after the stock market had already begun to fret about the prospects for an interest rate rise, they have contributed to recent gyrations in the Dow Jones Industrial Average.

lenge the data storage version of digital video discs, DVD-Rom, Thus far, though, the worst fears that the cyclical peak in earnings has passed are proving unfounded. The double-digit profits growth that has supported the US market's rise may be over. but the indications are that, barring extraneous shocks, earnings are likely to remain solid at least until the end of next year.

An analysis of the quarter or so of S & P 500 companies that have so far reported second-quarter earnings shows only 16 per cent have failed to meet expectations, says First Call, which monitors analysts' forecasts. Thirty-two per cent have topped forecasts by

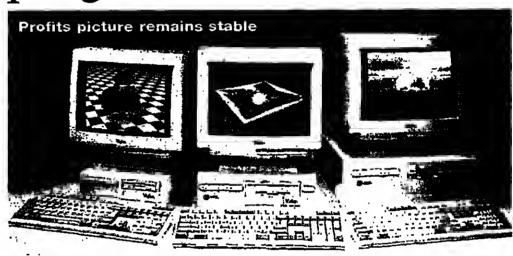
Even though expectations are generally managed to a point where nasty shocks are rare, the latest figures have yielded an unusual amount of positive news, The consumer electronics industry had hoped DVD, billed says Mr Chuck Hill, director of research at First Call.

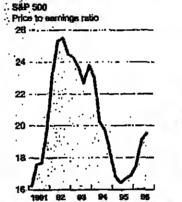
The earnings picture so far is hased largely on sectors that report early: banks and securities firms, companies in basic industries like paper, consumer growth companies, and cyclical stocks such as carmakers. A number of trends stand out.

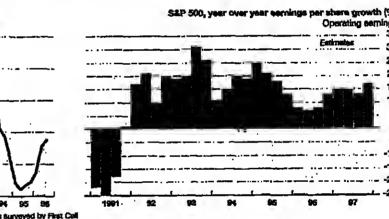
First, and most clearly, the forces behind the latest phase of the US earnings cycle remain largely in expects to do so by the end of this year. If production starts on place. Top-line sales growth in most industries has remained schedule in early 1997, the first moderate against a background MO discs may go on sale next year at less than Y10,000 (\$90). of higher volumes and largely unchanged prices. The real boost to operating profits, rather, has come from restraining costs.

will become an important That is particularly clear in medium for services such as video-on-demand and interactive sectors like banking, one of several which have seen a merger television. Some analysts suspect driven consolidation in the past they will be used in addition to, two years. Figures this week rather than instead of DVD-Rom. have shown a marked improve-Some groups are hedging their bets. The MO consortium ment in the key cost-income ratio includes Hitachi and Sharp of at a number of banks, brought Japan which, like Sony and Philips, also plan DVD systems.

### Bears' fears on earnings put good news in the shade







Source: FT Extel, analysts surveyed by First Cal Second, growth in earnings per share across the market - the most common yardstick of how corporate America is doing . has been supported by big buy backs. Many groups rewarded shareholders in the current profits boom not by raising dividends · which accounts for the rock-bottom 2.2 per cent yield on the S & P500 - but by using strong cash flow to buy back stock.

At General Electric this con-

tributed to a 13 per cent rise in eps in the latest quarter, outstrip ping an 11 per cent advance in after tax profits. Citicorp, the bank which has spent \$1.5bn buying its own stock this year, managed an 18 per cent advance in eps on a 12 per cent increase in

Third, the dollar may have rebounded from last year's low US groups which rely heavily on overseas sales.

Three big consumer products groups have stood out in this regard: Coca-Cola, Eastman Kodak and Johnson & Johnson. Each generates a large part of its sales abroad, and so was affected by the dollar's climb. But each met or exceeded expectations. A stronger dollar could have a more serious effect on US corpo-

rate earnings further down the road, of course - as could higher interest rates. Companiea most directly in competition with Japanese rivals in world markets seem, unsurprisingly, the most concerned

Rumblings from carmakers whose profits boom this decade has been sustained by the dollar's fall against the yen . have been particularly pronounced.

interest rates, seem a serious threat to corporate earnings. On both measures, US groups are better off than they were as recently as 1994. A continuation of the current

come - an early small rise in

stable earnings picture would strengthen arguments that the downward "correction" in US share prices should not he followed by a more precipitate fall. But it would also suggest that share prices will have trouble rebounding strongly. Last year's jump in the stock market brought the first expan-

sion in the price/earnings ratio of the US's largest companies since the profit recovery of the early years of the decade (see chart.) That earlier increase was justified by the profits boom that followed. But this time round, the

#### point, but this has done little so For now, though, neither the outlook seems less exciting. about in part through joh reduc-US truck company. dollar's rebound, nor - should it Day of reckoning, Page 11 far to curb the reported profits of tions in the wake of mergers. MGM share flotation expected in three to five years



Seven Network, tha Australian media group which partnered Mr Kirk Kerkorian's Tracinda group in a successful US\$1.3bn bid for the MGM film business in the US, said yesterday it was likely that the Hollywood studio would be floated in the next three to five

Seven backed the management led bid for the famous Hollywood studio, which was the unexpected

winner or Tuesday in an auction said that while details of an offer-that saw bids from News Corpo-ing had yet to be worked out, ration, the media group; Poly-Gram, the entertainment subsidiary of Philips; and Morgan Creek, a US group backed by

It is believed Mr Kerkorian put up just over half the purchase price for the deal, which will bring the roaring lion logo under his control for the third time

However, Mr Kerry Stokes, the

ing had yet to be worked out, Seven did not anticipate selling

its shares at this stage. He said the group had received a couple of offers for the MGM film library, one of which came from Mr Rupert Murdoch, the Australian-born media proprietor. Mr Murdoch'a News Corp. owns a 15 per cent stake in Seven. An alternative means of capitalising on the value of the library might be to license it rather than go for a sale. "That

would be something considered by the board at the appropriate time," he commented. MGM's assets includa fibn and

television production operations, the 1,500-film library, 4,500 home video titles, e global distribution network and one of the bestknown brands in entertainment. Shares in Seven fell 9 cents or about 2.5 per cent - yesterday, to A\$3.61 on news that the Kerkorian consortium had been successful. Seven's financial commitment is put at about US\$250m - a Page 14

sizeable figure in the context of a company which made an after-tax profit of A\$41.3m (US\$31.8m) in 1994-95, and about A\$\$4.6m in the previous year. However. Mr Stokes indicated vesterday that be believed additional interest costs should be covered by MGM profits within three years.

Managemeot's stake in the buy-out is being financed with funds raised through J. P. Morgan, the investment bank. News Corp huya New World,



"TIME TO OVERTAKE"



"Is your company on



Mercury's fast data network?"



### COMPANIES AND FINANCE: THE AMERICAS

### **News Corp in** \$2.5bn deal to buy New World

By Maggie Uny in New York

Mr Rnpert Murdoch's News Corporation threw down a challeoge to the three longestablished US television networks yesterday when he announced an all paper agreed bid for 80 per cent of New World Communications, worth \$2.5bn. News Corp already has e 20 per cent stake in New

The deal, which is subject to regulatory approval, would enable News Corp's Fox Televi-sion network to leap-frog NBC, ABC and CBS in terms of the percentage of the population reached through owned and operated stations. It would give Fox coverage of close to 35 per cent of the population, the limit allowed under Federal Communications Commission rules. The networks reach other viewers through affili-

ated stations. As e result of the deal, New World has dropped its interest in buying King World, a TV

production company.

Mr Murdoch said: "This acquisition continues the momentum towards our goal to become the leading over-the-air free broadcast television

In morning trading, News Corp's shares fell \$1% to \$20% jumped \$64 to \$21%. New World, which is con-

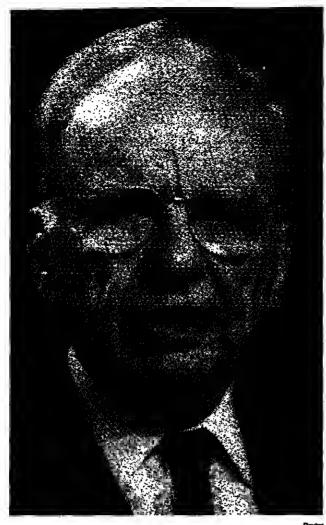
trolled by Mr Ronald Perelman, the New York investor and head of the Revion cosmetics empire, owns 12 stations but has already agreed to sell two to NBC for \$425m. The remaining 10 stations are Fox affiliates, after a deal between Fox and New World in 1994. Mr William Bevins, chair-

man and chief executive of New World, said: "The offer by News Corp represents an extremely attractive opportunity for our shareholders to realise the value [of New World?".

Some analysts said the price being paid for the loss-making New World was high. Mr Michael Diamond, executive vice-president of New World, said that under the affiliation deal New World was only obliged to take limited pro gramming from Fox.

Once Fox controls the New World stations, it will own 22 stations, including nine in the top 10 US markets.

Mr Gary Klein, head of the media and entertainment group et AT Kearney, the management consultants, said the deal "makes all the sense in the world" and that Mr Murdoch was pursuing an aggres-



Rupert Murdoch: New World deal continues Fox momentum

sive and opportunistic strategy, putting Fox ahead of the other three networks in terms

finance the purchase through the issue of about 117m new preferred limited voting Ameriof channels of distribution in can Depositary Receipts. major markets. News Corp will Lex, Page 12

### AMR and TWA post sharp upturn in second period

By Richard Tomkins

AMR, parent of American Airlines, and Trans World Airlines yesterday opened the results season for US airlines by reporting sharp upturns in second-quarter profits, building on the sector's recent recovery. AMR had net income of \$293m, up 65 per cent from the previous year's \$178m. Earnings per share rose from \$2.08

sensus forecast of \$3.13. TWA reported net profits of \$20.4m after preferred stock dividends, up from just \$1.2m a year earlier. But the company's fully diluted earnings per share of 45 cents fell well short of the expected 65 cents.

to \$3.20 on a fully diluted basis,

well ahead of Wall Street's con-

TWA went through a reor-ganisation under chapter 11 of the US bankruptcy code last year, so earnings per share figures for the prior year were not comparable.

US airlines have recently benefited from growth in the US economy. With more demand for air travel, they have been able to fill a higher percentage of seats without the need for ruinous fare sales. This year, they have also benefited from the expiry of a 10 per cent tax on ticket sales. This expired on January 1 after

the White House and Congress failed to agree on a federal

The expiry of the ticket tax delivered a profits bonanza to airlines, either because they kept fares the same and pocketed the money, or because they lowered fares and attracted more passengers.

Last week, however, the Sen ate approved e package of leg-islation that includes e reinstatement of the 10 per cent tax. Once that has been reconcited with a similar House hill and submitted to the president, the tax looks set to return.

Airlines will probably respond by raising ticket prices, but analysts believe that will lead to e fall in passenger numbers and a slowdown in the rate of profits growth seen in the past few quarters.

In the meantime, the airlines are enjoying strong demand for air travel. According to the Air Transport Association, an industry body, passenger traf-fic rose 5 per cent in April and 7.8 per cent in May, and load factors for June were expected

to reach record levels. In the quarter just ended American Airlines said its load factor rose from 67.1 per cent to 69.4 per cent, and TWA said its load factor rose from 66.9 per cent to 69.8 per cent.

### NEWS DIGEST General Electric earnings up 11%

General Electric, America's largest company by market value, produced record earnings in its second quarter with an 11 per cent rise to \$1.9bn. Rarnings per share, boosted by a \$8bn

share repurchase programme, rose 13 per cent to \$1.15.

Revenues rose 7 per cent to \$19.1bn, and not profit margins went from 9.7 per cent to 10.0 per cent. GE said operating profit rose at eight of its 12 divisions, with four - the TV network NBC, medical systems, transportation and motors showing double-digit increases.

Earnings at GE Capital, the financial services subsidiary, rose 19 per cent to \$683m. There were double digit increases consumer services, specialty insurance and specialised

Cash flow from operations rose sharply from \$1.5bn to \$3.5hm. GE bought back \$817m of its stock in the quarter, bringing the total to \$4.9hn since its \$9hn buyback programme Tany Jackson, New York was instituted in December 1994.

### Reynolds Metals results dented:

Falling commodities prices have dented second-quarter results et Reynolds Metals, the US aluminium smelter and fahricator. Net income in the quarter tumbled 45 per cent, to \$60m, or 81. cents e share. In the 1995 second quarter, Reynolds had earned \$111m. or \$1.51.

Second-quarter sales dipped to \$1.8bn, compared with \$1.9bn in the previous second quarter, even though aluminium shipments rose to 432,000 metric tons, from 426,000 tons in the second quarter of 1995.

"Results were affected by primary aluminium prices 16 per cent lower than the 1995 second quarter, as well as price declines in a number of fabricated products. Continued poor economic conditions in Europe and lingering user destocking in some markets also affected results," said Mr Richard

Holder, Reynolds chairman. For the first six months of the year, Reynolds net income was \$62m, or 69 cents share, on sales of \$3.5bn. The half-year results were reduced by a charge of \$38m, or 60 cents, taken in the first quarter for an accounting change and to cover restructuring costs. Reynolds earned \$193m, or \$2.64 e share,

on sales of \$3.5bn in the first balf of 1995. The company warned that weakness in metals prices may persist longer than first forecast. "We are optimistic that aluminium demand fundamentals will improve later in the year, benefiting from a strengthening US economy and a year, benefiting from a strengthaming to economy and recovery that is expected to begin in Europe, "said Mr Holder. -Laurie Morse, Chicago

• Falconbridge, the Canadian nickel, copper, zinc and precious metals producer, posted lower second-quarter and first-half earnings because of weakness in some metal

Mr Frank Pickard, president, said nickel continued to have a very positive outlook. Copper will rebound soon but not to the

Second-quarter earnings were C\$59m (US\$43m), or 33 cents a share, down 18 per cent from C\$72.3m, or 41 cents, a year earlier, on revenues of C\$573m, little changed. First-half earnings were C\$131.4m, or 74 cents, against C\$168.8m, or 96 cents, Revenues were C\$1.15bn against C\$1.19bn. Robert Gibbens, Montreal

#### Telefónica in Brazilian bid

Telefonica Internacional, the overseas unit of Telefonica de España, has formed a consortium with a number of other companies to bid for a 35 per cent stake in Brazil's state-owned Companhia Riograndense de Telecomunicacoes. Telefónica bas formed the consortium with its 43.63 per cent-owned Compania de Telecomunicaciones de Chile unit and Rede Brasil Sul, a local multimedia group. The sale of the 35 per cent stake in CRT through e public tender is expected to be completed by

the end of the year, Telefonica said.

Mr Ignacio Santillana, Telefonica chief executive, told AFX. News that CRT is owned by the state of Rio Grande do Sul and could therefore be privatised without any need for constitutional changes". A presence in Brazil is considered to be a necessary part of Telefonica's long-term strategy of creating "a pan-American telecommunications network," he

Safra ahead 17% in first half

Safra Republic Holdings, one of the pillars of Mr Edmond Safra's private banking empire, increased its net income by 17 per cent in the second quarter of 1996 to \$46.2m, or \$2.63 a share. First-half net income of the Luxembourg-based holding

share. First-half het income of the Luxembourg-based nowing company, which controls one of Switzerland's biggest private banks, increased by 14.4 per cent to \$90.3m, or \$5.13.

Net interest income in the first half rose by 10.6 per cent to \$126.0m and other operating income rose by 21.6 per cent to \$56.6m. Operating expenses rose 9.3 per cent to \$83.5m in the first six months. The group's total assets have risen by 17.5 per cent to \$16.6bn since June 1995 and total shareholders equity is moby 13.7 per cent at \$1.40bn or \$84.55 a chare cent to \$16.8bn since June 1980 and was summer up by 13.7 per cent at \$1.49bn, or \$84.55 e share.

William Hall, Zurich

### Strong demand lifts Computer Associates to record

By Louise Kehoe in San Francisco

Computer Associates reported record results for its first fiscal quarter, buoyed by strong demand for its "client-server" software products used on networks of computers.

Revenues for the quarter ended June 30 jumped 37 per cent to \$792.1m from \$577.5m in the same period last year. Net income was \$119.8m, or 47 cents a share, an increase of 35 per cent over \$88.5m, or 35 cents, in the first quarter of fiscal 1996. Per share amounts adjusted for a three-for-two stock split effective July 15 were 32 cents for the latest quarter, versus 23 cents e year ago.

Earnings were well above Wall Street estimates of 42 cents a share and CA opened yesterday at \$461/2, up almost 15 per cent from Tuesday's close of \$401/2. By mid-session CA had given up some of its gains to \$45%. CA's results, together with higherthan-expected second-quarter earn-

ings from Intel, the leading semiconductor manufacturer, and strong sales growth at Informix, one of the leading suppliers of computer database soft-ware, helped to fuel e rally in US high-tech stocks, which have been down sharply over the past few days. Sales grew "across the board and in all geographies," said Mr Sanjey Kumar, president and chief operating

officer. The company had seen no

signs of market weakness, he said.

apparent weakness in the information technology sector have been overly influenced by the profit warnings issues by some companies over the past few weeks, he said. "Unfortunately, the bad news has to come out

Demand for client-server software, used on networks of personal computers linked to servers, was very strong during the quarter, with revenues up "Our industry is very strong," said 50 per cent, Mr Kumar said. In partic-

Mr Kumar, Investors' concerns about

ular, software for high performance computers running the Unix operat-ing system and mid-range computers running Microsoft's Windows NT is selling well, he said.

Mr Kumar also attributed the com-

pany's first-quarter strength to a reoranisation, begun in April, in which the company created independent business units to eddress different segments of the software market and a new sales division to focus on

All of these securities having been sold, this announcement appears as a matter of record only.



INSURANCE & INVESTMENT

### **Global Offering of** 4,600,000 Ordinary Shares

in the form of Ordinary Shares or American Depositary Shares

Global Coordinator **Goldman Sachs International** 

Co-Global Coordinator Donaldson, Lufkin & Jenrette Securities Corporation

International Offering

1,840,000 Ordinary Shares

This portion of the offering was offered outside of the United States and France by the undersigned.

Goldman Sachs International

Donaldson, Lufkin & Jenrette Securitles Corporation

Lazard Frères et Cie

Dillon, Read & Co. Inc.

**Paribas Capital Markets** 

**Banque Nationale de Paris** 

**CS First Boston** Fox-Pitt, Kelton N.V.

Mediobanca - Banca di Credito Finanziario S.p.A.

Merrill Lynch International

J.P. Morgan Securities Ltd.

Morgan Stanley & Co.

**UBS Limited** 

United States Offering

2,760,000 Ordinary Shares

This portion of the offering was offered in the United States by the undersigned.

Goldman, Sachs & Co.

Donaldson, Lufkin & Jenrette Securities Corporation

**CS First Boston** 

Dillon, Read & Co. Inc.

Merrill Lynch & Co.

Morgan Stanley & Co. J.P. Morgan & Co.

Fox-Pitt, Kelton Inc. Paribas Capital Markets Lazard Frères & Co. LLC **UBS Securities** 

### Cost cuts bolster **BankAmerica**

By Richard Waters in New York

BankAmerica, the Californiabased banking group, contin-ued the string of generally positive second-quarter earnings news from US banks with a 12 per increase in net income, to \$723m, and an 18 per cent advance in earnings per share, to \$1.84.

Like its competitors, Bank-America managed to bolster its results through by cost-cutting. Excluding one-off events, its operating expenses rose by less than 1 per cent from a year before. Share bny-backs also contributed to the earn-

Loan growth was almost entirely cancelled ont by a lower net interest margin, which fell from 4.54 per-cent to 4.27 per cent, resulting in an advance of only 2 per cent in

net interest income. Non-interest income, meanwhile, rose \$182m, or 16 per cent, to \$1.3bn, though \$82m of this came represented an aftertax gain from the sale of e

Hong Kong subsidiary.

The bank's latest results were also aided by e decline in regulatory fees, as a result of the lower deposit insurance

#### premiums now being levied on US banks by the country's Federal Deposit Insurance ings increase. The bank's revenues, mean-Corporation. That led to a \$56m decline in while, advanced by 7 per cent, overall non-interest expense, to slightly less than \$2bn.

### HBC plays to its regional strengths.

Asian links help bank outperform Canada's Big Six, says Bernard Simon

Hongkong Bank of Canada branch in Van-Canada prancu na van brought forward its opening time by one bour e few years ago as a courtesy to passengers arriving on Cathay Pacific's early morning flight from Hong Kong.

That gesture offers a number of clues to how the whollyowned subsidiary of HSBC Holdings, the international financial services group, has achieved a measure of success that has up to now eluded foreign banks in Canada.

HBC has become the only foreign bank to succeed in nipping the heels of Canada's six big domestic banks in the retail market. Citibank and Standard Chartered are among others that have tried, but

With assets of C\$20.5bn (US\$14.95bn) and 115 branches, HBC is now by far the biggest of the 40-odd foreign banks operating in Canada. It is still e minnow, however, compared with its domestic rivals. Netional Bank of Canada, the smallest of the Big Six, has essets of C\$50bn, and the six banks between them have

about 7,000 branches.

Mr Bill Dalton, who helped set up HBC 15 years ago and is now its president and chief executive, says: "We are not setting out to be big; we are setting out to be profitable and

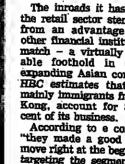
HBC has consistently outper-formed the domestic banks. Profits have grown for the past 10 years in a row. Its 17.8 per

Bill Dalton: bank setting out to be profitable, not big

to 18 per cent in the first half of fiscal 1996, was higher than any of the Big Six.

country's biggest financial institution with 10 times HBC's assets, produced a 17.5 per cent return on equity in the six months to April 30. Foreign banks, most of them based in Toronto or Montreal,

Lloyds Bank and most recently, Barclays.



cent return on equity in the 12 months to October 1995, rising

Royal Bank of Canada, the

have typically started by targeting corporate customers. But HBC, whose head office is in Vancouver, focused from the outset on the stable retail market, which makes up about 40 per cent of its balance sheet. Its growth has been pro-pelled by several acquisitions over the past decade, including the local subsidiaries of Australia's ANZ Bank, the UK's

match — a virtually unassailable foothold in Canada's expanding Asian community.

HBC estimates that Asians, mainly immigrants from Hong Kong, account for 30-35 per cent of its business.

According to e competitor, "they made a good strategic move right at the beginning by targeting the segment they're good at". The competitor says, for instance, that HBC branches in Toronto's Chinatown are staffed entirely be town are staffed entirely by Asians, and are decorated in much the same way as Hong-kong and Shanghai Bank branches in Hong Kong and other parts of Asia At the same time, HBC's

international connections help it draw commercial business from the domestic banks' traditional customer base. "No one can process trade finance documentation in Asia like us, Mr Dalton says.

BC maintains close links with ms us such bank, Marine Midland, a stone's whose head office is a stone's throw away from the US-Canada border in Buffalo, New York. Marine Midland's chief executive, Mr James Cleave, was previously in charge at HBC and the two banks regu-larly exchange staff.

HBC has built on its strengths by offering a widening array of services. Over the

The inroads it has made in the retail sector stem in part from an advantage that no other financial institution can discount brokerage, asset mandagement and insurance operations, purchased a trust company, and bought the 50 company, and bought the 50 per cent it did not already own of James Capel Canada, its

securities arm. According to a recent Cana-dian Bankers Association survey of small and mid-sized husinesses, 46 per cent of respondents said they were "highly satisfied" with HBC's service. The highest scoring. domestic bank was Bank of Nova Scotia, with 27 per cent. Some 87 per cent expressed general satisfaction with HBC. also well ahead of any domestic rival. Surrey Metro Savings, a credit union in the Vancouver area, describes HBC as "a strong competitor" and "one of the most service-oriented banks".

But another competitor points to shortcomings in such specialised services as real estate and mergers and acquisitions. HBC's ability to cap-ture more customers through its relatively small branch net-work is also limited.

However, Mr Dalton has no ambition to open new branches telephone banking appears to be the wave of the future. HBC has invested instead in a large call centre on the outskirts of Vancouver to handle phone

and on-line queries. Mr Dalton says there is little chance of HSBC offering a slice of the Canadian unit to the public. But, he says, "if an appropriate acquisition came along, we would look at it.

TO SECTION OF MEDICAL

The action of the

brings fo

demutua

270.4 50

----

A COUNTY

3.43

-- 1-2274

Phones Male

THE SERVICE W NEWS

A CONTRACTOR OF THE PROPERTY O

# eneral Electric

THE PERSON NAMED IN

Marie Company of the second second

rnings up 11% Management of the second of th

E-Marie San (1977) The second of th

wolds Metals results den Section of the sectio

PERSONAL PROPERTY AND ASSESSMENT OF THE PROPERTY ASSESSMENT OF THE PRO Marie Control of the See American The first section of the section of

A Laws of the second se Manager of the second of the s

Service Servic donica in Brazilian bil

Angelon de Antonio de La Companya de

٠ :

egyddy ac charles a ch

p. Brian Salaria Control

dustrial transfer of

and the second second

FINANCIAL TIMES THURSDAY JULY 18 1996

#### COMPANIES AND FINANCE: EUROPE / ASIA-PACIFIC

### National Mutual Renault's prospects hinge on room for manoeuvre brings forward demutualisation

By Milds Talt in Sydney

that it would list on the Australian and New Zealand stock markets in October.

first large life company to com-plete a demutualisation scheme, beating rival Colonial Mutual group, which plans to hegin the process later this year. The AMP Society, Anstra-lia's largest life insurer, is also looking at the merits of demninalising - turning itself from a company belonging to policy-bolders to a conventional

shareholder-owned one. National Mutual is likely to be valued at upwards of A\$2bn (US\$1.58bn) and a controlling 51 per cent interest will be held by Axa, the French insurer.

National Mutual won policy. holders' approval for the demutualisation scheme last August and pledged to list its shares by October 1997 at the latest. But Mr Geoff Tomlinson, managing director, said yesterday that National Mutual saw no reason to delay. The management team felt that the fundamentals were there," he said.

Mr Tomlinson acknowledged that current stock market conditions did not look too favourable - the Australian market tumbled to a seven-month low this week - but said that the made A\$131.5m in process of first allocating months to end-March.

"free" shares to policyholders, as from Monday, and then sell-ing shares not taken up to National Mutual, Australia's other investors, would mean a

second largest life insurance group, announced yesterday that it would list on the Australian and New Zealand stock markets in October.

It will become the country's first large life company to core.

offering - we've got Ara there with 51 per cent," he said.

Letters telling policyholders how many shares they are entitled to will go out next week, and they will be able to opt either to accept these or have the shares sold on their behalf. National Mutual Life has around 1.2m policyholders in Australia and New Zealand, and about one-third of these will get the minimum allocation of 200 shares.

Shares not retained by policyholders will go into a two-part offer for sale, with a public offer opening on Sep-tember 9, and an institutional offer following on October 2. The public sale price will be set at the lower of the retail application price and the institutional sale price.
National Mutual accompan-

ied news of the October listing with a forecast of a A\$198m after-tax profit for the year to end-September. This compares with a restated A\$115.5m figure in the year to end-September 1995, and A\$230.6m in the previous 12 months. The company made A\$131.5m in the six

Investors in the French carmaker Downhill at Renault have seen the value of their holdings tumble as misfortunes have piled up, report David

Owen and Haig Simonian

Renault, the French carmaker, is developing a
device to stop drivers

March brought the
announcement of a 41 per cent
fall in 1995 net profits. This falling asleep at the wheel. Shareholders could be forgiven for hoping the company's top brass have it installed in their

This year has been one to forget for the group, a majority of whose shares are now back in private hands for the first time in more than half a

century.

The latest misfortune came with the European sales fig-ures earlier this week. They showed Renault's January-June market share fell from 10.6 per cent to 9.7 per cent. While new car registrations in Europe rose by 4.8 per cent, Renault's sales fell by 3.9 per

The poor data were the latest in a string of mishaps. These began in January with reports that Mr Louis Schweitzer, Renault chairman, had been placed under investigation in connection with a political wire-tapping scandal dating back to the mid-1980s.

Since then, bad news has continued to flow. In mid-January it emerged that Renault-Oyak, the Turkish joint venture, was to halt production temporarily because of a 50 per cent drop in sales. · In February, the company announced plans to scrap 1,540 jobs at its French plants.

included a FFr1.7bn (\$336.3m) operating loss in cars, blamed on weak European demand, currency depreciations and the introduction of the Megane, the company'a crucial new mid-sized range. A week later, its listed Spanish carmaking subsidiary reported a 84 per cent drop in 1995 pre-tax profits, attributed to a price war. • In late May came the decision to modify some Megane models following persistent reports by some French motoring magazines that the vehicle was unstable in certain condi-

the car as sound.

The following month, the group announced it was to quit Formula One motor racing where it has been conspicu-ously successful - at the end of next season. Renault said that, having supplied engines to four constructors' championship winners since 1989, the only likely subsequent course was downwards. Observers noted the move would also

tions. Car testers who had

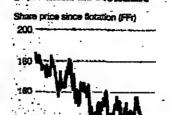
defended the Mégane derided Renault for first resisting, and

then backling under the pres-

sure whils always defending

With July now marred by the poor market share figures, it is scarcely surprising Ms Sabine Blumel, car industry

save a lot of money.



Nov 94 . analyst at IMI Sigeco in Lon-

thing which gives me confi-dence to see a hig improvement". No less surprising is the fact that Renault shares have fallen by nearly 18 per cent this year.

don, says there is "hardly any-

tunes, with which the shares are intimately linked - seem slim. Renault's stock is clouded by the fact that Sweden's Voivo still owns 11.4 per cent of the company, the legacy of a failed merger attempt. Volvo is anxious to offload . just as

Operating income/loss (FFr bn)

than 50 per cent of its capital want to sell.
In the light of so many setbacks, what chance is there of an upturn? Analysts are not optimistic.

"The problem with Renault", says Mr John Lawson of Salo-

Greater competition from more modern cars is biting into Renault's share of the potentially high-margin market for executive models

The stock has even fallen FFr19 below the level et which a group of financial institu-tions recently bought into the company's capital in the landmark deal that took the state's holding below 50 per cent. Meanwhile, investors who paid the FFr165 issue price in Renault's November 1994 initial public offering have seen the value of their holdings fall by

nearly 30 per cent. The chances of any quick upturn in the share price - or in Renault's commercial for-

soon as the share price reaches what it deems an acceptable level. In mid-May, Volvo indicated the then share price of FFr149.90 was "too low". Yesterday the shares were languishing at FFr115.8

be French state could also be a seller. It is still thinking of divesting its remaining 46 per cent holding when market conditions permit. This leaves Renault in the unenviable position of knowing that the owners of more

mon Brothers. "is doubts about some of the fundamental posi-tions of the company being combined with some pretty bairy reductions in market share

The group remains, by com-mon consent, too beavily focused on France - a country that, Mr Lawson notes, "seems to be the centre of a [motoring] price war". Moreover, the successful Clio

compact hatchback is showing its age, despite a recent face-lift. And the Clio's market seg-

relatively strongly in France because of a government sales incentive scheme favouring small cars - has become particularly competitive with the debut of attractive and keenlypriced vehicles from Volks

wagen, Fiat and Ford. Greater competition from more modern cars is also bit-ing into Renault's share of the potentially high-margin market for executive models, such as the Safrane, and multi-purpose "people carriers"

like the Espace. To set against that, Renault's commercial vehicle sales appear to be bolding up well, although some analysts fear the European market may be

slowing. And management has shown it can fight back in the past Renault was one of only three European carmakers not to book a loss in 1993; the follow ing year it announced it had eliminated its debts, as well as recording net earnings of FFr3.54bn - more than triple the 1993 figure.

The company should also benefit from the gradual appearance of the full Mégane range, including a conventional four-door saloon and an innovative "people carrier". A new Espace is also on the way, while the Safrane is due for a facelift.

In longer term, though, perhaps the most significant fac-tor for Renault's prospects will be whether Mr Schweitzer really is given "the same capacity for strategic manoeuvre as his competitors" - a pledge made by the government when its decision to take its stake below 50 per cent was

### Philippines bourse chief to quit

By lan MacDonald in London and Reuter in Manila

Mr Eduardo de los Angeles, president and chief executive of the Philippines Stock Exchange, - yesterday announced he would not be seeking reappointment when

his existing contract expires. A year ago, Mr de los Angeles was widely expected to be appointed chairman of the Securities and Exchange. Commission in Manila following the acrimonious departure of Ms Rosario Lopez, but President Fidel Ramos surprisingly appointed one of the existing commissioners.

Mr de los Angeles decided to stay at the PSE, which was formed three years ago as a result of merging the rival Manila and Makati stock



Eduardo de los Angeles: plans to return to law practice

He has played a leading role in bringing the two trading floors under one roof since the merger at a time when the PSE was among the fastest growing exchanges in the Asia-Pacific

Yesterday, however, Mr de los Angeles, a 54-year-old cor-porate lawyer, announced his intention to leave. "My contract ends on September 1 and my intention is to go back (to law practice]" he said.

Mr de los Angeles said be would ensure the start of a central depository before he left. "The plan is that we will start putting in government |ecurities on August 15 and shares of at least one company by the end of Angust," he said. A depository would do away with the need for share certificates and reduce the amount of

paperwork. He said the PSE's board had already chosen his successor. but he declined to name the person until the choice was

### Cutback by chip makers widens

By William Dawkins in Tokyo

Two more Japanese semiconductor makers, Toshiba and Fujitsu, have announced production cuts in response to the fall in chip prices. Fujitsu will cut production of

four and 16-megabit dynamic random access memories (D-Rams) by 20 per cent, by closing some Japanese produc-tion lines for a week in August Toshiba said its output of

D-Rams would fall next month, due to temporary closure at two of its five Japanese plants: These are the latest in a series of production cuts by chip makers around the world, including Japan's Hitachi, Mit-subishi and NEC.

If continued, the cuts would enable the Japanese semiconductor industry, which repre-sents just over 40 per cent of world supply, roughly to halve its own 15 per cent surplus by the year-end, according to industry analysts in Tokyo. Earlier this week, Hitachi Japan's biggest chip maker, said it had halted production

at a new plant and postponed investment in new capacity. Rockwell International of the US said it would delay production start-up for at least a year tory being built in Colorado

July 5, 1996

SF 9,675,000



Palomar Medical Technologies, Inc.

4.5% Convertible Subordinated Debentures due 2003 with attached Warrants to purchase Common Stock

BlueStone Capital Partners, L.P. Banca Commerciale Lugano



INVESTMENT MANAGER The Stanley Works Corporation Defined Benefits Plan Assets

Total Assets Under Management

& Bankers Trust

\$325,000,000

The art of changing investment options for a client lies in changing them wisely as well as quickly. When The Stanley Works Corporation, a leading manufacturer of tools, hardware and specialty hardware, asked us to execute a controlled portfolio restructuring, they really had only one question: How do we do this quickly and cost effectively? Together, we designed a plan that took their existing equity index and split it into separate funds, thereby maximizing

liquidity while minimizing restructuring costs. Simultaneously, we maintained Stanley's equity allocation through a dynamic futures hedge between trade and settlement dates of their domestic and international trades. Our plan worked. Virtually 100% of The Stanley Works Pension Plan restructuring was completed within two weeks at minimal costs, which is not only why they came to us in the first place, but why they're still with us now. We welcome the opportunity to discuss how we can develop equally innovative solutions to your financial challenges.

### Stork buys Fokker Aviation for Fl 302m

By Gordon Cramb in Amsterdam

The dismantling of Fokker, the failed Dutch aircraft maker, began in earnest yesterday as the receivers sold its profitable components and maintenance division to Stork, a domestic industrial group.

Stork is paying FI 302.5m (\$180.5m) for Fokker Aviation, created by the receivers on March 17 when it became clear there was no immediate buyer for the company as a whole. The deal, which includes the assumption by Stork of a

retroactive to that date. Fokker collapsed when Deutsche Aerospace, its controlling shareholder, refused in January to inject further funds. Potential bidders for the aircraft manufacturer have examined its books, with some arguing that removing the relatively consistent revenue stream generated by the services side made a takeover less

Fokker Aviation services the company's 1,200 aircraft worldwide and is also licensed to maintain Boeing 737s and F-16 military jets. It makes components for defence and other

attractive.

industries as well as aupplying the Fokker fleet and Airbus. Stork, which last month was granted an exclusive option to buy the unit, has operations spanning printing and packag-ing, industrial components, engineering and contracting. The group, which made net profits last year of Fl 108m on sales of Fl 4.12bn, has had no

aerospace industry. Mr Jan Hovers, Stork chairman, told an Amsterdam press conference yesterday that Fokker Aviation'a activities were "a logical broadening of the industrial markets in which

previous involvement with the

Stork is active". The acquisition would add some FI 600m to turnover this year and would already make an unspecified contribution to earnings.

From next year, helped by contracts to update older F-16s, Fokker Aviation revenues are projected at Fl 800m and profitability would match Stork targets for its other businesses. Mr Louis Deterink, a Fokker bankruptcy trustee, said the separate deal was done with Stork because "continuity of product support was crucial".

Without that, regulatory

anthorities could have begun

to cancel airworthiness certifi-

to a substantial erosion of valnes of Fokker aircraft":

Fokker is making aircraft to meet previous orders but according to Mr Deterink, "It can still take months before it becomes clear if a buyer for the aircraft builder can be found. He insisted the sale to Stork should not impede rescue prospecis for the core operation.

Yakovlev of Russia is the most recent international serospace group to have expressed interest in Fokker, saying last week that it was contemplating

share rose from \$1.78 to \$3.53. The 1996 figures included a

gain of \$7.3m on the disposal of

Second-quarter net earnings rose from \$122.6m to \$176.1m,

with earnings per share rising

high 44.4 per cent, against 40 per cent in the second quarter

of 1995. This was attributed to

a favourable product mix and a

higher rate of utilisation of

Capital spending in the first half totalled \$860.5m, with the overall figure for 1996 expected

from 95 cents to \$1.27. Gross profit margins in the quarter reached an unusually

manufacturing plant.

an investment.

### Dax move drives up shares in Munich Re

By Andrew Fisher in Frankfurt

Shares of Munich Re, the world's largest reinsurance group, rose sharply yesterday after the decision to include them in Germany's Dax index of 30 blue chips. Shares of two demoted companies, Metallgesellschaft and Continental. the tyre group, also rose as uncertainty about their continned inclusion ended.

Deutsche Börse, which runs the Frankfurt stock and futures exchange, said on Tnesday that Munich Re and Dentsche Telekom, which comes to the market in November, would join the Dax. Deutsche Telekom's inclusion had already been decided - its initial public offering will total some DM15bn (\$10.1bn) while that of Munich Re was

generally expected.

Munich Re's shares rose DM63 to close at DM2.319. The company said on Friday, when it announced higher than expected results for its financial year, that it expected to ion the Day, Its shares have advanced recently, as institutions that track the index

bought shead of the decision. The Dax changes will take effect on September 23, with Dentsche Telekom joining after its IPO. Metallgesellschaft, the industrial and trading company that nearly collapsed in 1994 and is now back in profit, will stay in the Dax until Telekom enters. Continental will leave when Munich Re moves up in two

months Both Continental, whose shares were 63 pfennigs, or nearly 3 per cent, higher at DM23.63, and Metallgesellchaft, up DM1.55 (6 per cent) to DM26.50, will become part of the MDax, comprising 70

medium-sized issues. Also moving into the MDax will be Tarkett (floor coverings). Puma (sports shoes and clothing) and Rhon Klinikum (health care). Bremer Valkan, the ailing shipbuilder, Lino-type Hell (digital pre-press equipment) and DLW (office furniture and floor coverings) will be leaving the mid-cap

World Stocks, Page 30

### SGS-Thomson posts 53% rise at midway

By David Owen in Paris

SGS-Thomeon Microelectronics, the Franco-Italian semiconductor manufacturer, yesterday reported "record market share gains" as it unveiled a 53 per cent advance in first-half net earnings. Mr Pasquale Pistorio, chief

executive, said he estimated the company would represent "approximately 3 per cent of the worldwide semiconductor market" in the second quarter. He added that the company's second-quarter results, when net earnings climbed 43.6 per cent from year-earlier levels, were achieved at a time of difficult market conditions, with total industry sales expected to be down on the figures recorded in the first quarter.

While several of the group's product lines were affected by industry-wide pricing pres-



Pasquale Pistorio: impact of pricing pressures partly offset by strong demand for specialist products

sures "particularly in June", the impact had been partly offset by strong demand for its specialist products, such as microcontrollers.

expected to be above the \$922.6m recorded in the corresponding period of 1995, but below the second-quarter 1996 figure. The gross margin Third-quarter revenues are is expected to be lower than

the 40.1 per cent achieved a

year ago. Net earnings for the six months ended June 29 totalled \$351.1m on sales of \$2.06bn.

Billa will be crucial for Rewe's strategy of expansion in another way: it will establish a foothold in eastern Europe where Billa has branches in Hungary, Poland

#### to weigh in at about \$1bn, similar to 1995 levels. The company's shares jumped FFr9.6 to FFr164.1 yesterday following the news. Lex, Page 12; Japanese groups cut production, Page 15

### Rewe gains E Europe foothold with DM1bn buy

By Judy Dempsey

Rewe, the large German food retailing chain, is wellpositioned for expansion in the European market, including eastern Europe, after its acquisition of Billa, one of Austria's biggest food retailing groups. Rewe, which last year posted

sales of DM48bn (\$32,2bn), and which employs 161,000, is estimated to have paid more than DM1bn for Billa

The Austrian group had

sales of DM7hn in 1995 and has thet Rewe and other retailers per cent stake in Pro-7, the a network of 1,600 branches with 18,000 employees

Rewe's decision to buy Billa reflects the saturation in German retailing, particularly in the food sector, "Germany is so incredibly saturated in terms of food retailing that retailers have to go outside for higher earnings," said Ms Claire Kent, analyst at Morgan Stanley. Furthermore, the continuing

squeeze on consumer spending in Germany, combined with low economic growth and high unemployment, have meant

Hellenic Telecommunications Organization S.A.

(incorporated with limited liability in the Hellenic Republic)

Offering of 31,974,073 Shares

Issue Price of Drs 4,000

Global Co-ordinator

The National Bank of Greece

The undersigned acted as lead managers of the placement of shares outside Greece.

HSBC Investment Bank

Limited

Barciays de Zoete Wedd

are no longer assured of sustained growth from current operations, unless they are pre-pared for a price war. "It's a simple fact that the retailers are looking outside Germany for growth," said Ms Kent.

In recent months Austria has been a prime target, not only for Rewe, but also for Horbach and Asko, the DIY groups, and other German retailers. Rewe has followed this trend, and gone further by diversifying Eartler this year it took a 40 network. One of the fastest growing channels in the country, it may be listed on the stock exchange later this year. Last year, Pro-7 and Quelle, Germany's largest mail order group, jointly set up HOT, a

German commercial television

home shoppping television network. HOT is already broadcasting on certain frequencies throughout the country, and although it is in the early stages of development, analysts believe Rewe may use HOT to promote its products,

with Billa becoming involved

and the Czech republic.

And because Rewe is a fiercely aggressive discount retailer, offering the consumer low prices - much like Hilla -it is well poised to tap central European markets where the consumer is highly price-

### Fibre maker gives dress rehearsal for privatised Poland

Stilon tests independent management and financing

Poland'e mass privatisa-tion programme (MPP) leapt ahead this week with the start of trading on the Warsaw stock exchange in the coupons which entitle Poles to shares in the 15 investment

funds set up last year.

The move is a prelude to the flotation of the funds on the bourse next year. The 15m Poles who have already taken up their coupons at a nominal price of 20 zlotys will be able to exchange them for shares in the funds, which manage 512 formerly state-owned compa-nies. The coupons' market debut saw them traded at 104 zlotys before falling to 95

The programme got under way last year when foreign investment hanks, working with local partners, were given management roles. They were there to facilitate capital inflows and ensure the companies were restructured.

It has, however, created waves politically, as government appointed supervisory boards for some of the 15 funds fought with local and foreign management companies appointed to run them. The internal strife appears to be abating, but the main test for the programme will come in companies like Stilon, a syn-instic fibres manufacturer in western Poland. Its main fac-tory is the jewel in the crown of the No 2 Fund, managed by UNP, a small Canadian investment fund partnered by the recently privatised Bank Gdanski, and Murray Johnstone, the Glasgow-based investment

management company.

Since the early 1950s Stilon has controlled most of the local market supplying garment manufacturers, as well as yarn for industrial uses. Unlike many of the companies in the MPP, it appears to have the worst of its problems behind it. The challenge facing No 2's managers - led by Mr Jan Bossak - is whether they

can bring about the changes needed to allow it to

face EU competitors. Mr Janusz Gramza, its 50year-old managing director, has been in place since 1986, surviving Poland's transition from communism and a near-

fatal decline at the company in the early 1990s. It then saw its domestic textiles market collapse as demand from the for-mer Soviet Union dried up. Losses mounted as Mr Gramza waited for the government, advised by Bankers Trust, to find a strategic investor, but this failed. Realising he was on his own, he decided to restructure Stillon.

In its heyday, the company employed 15,000 in a town of 120,000 inhabitants, and provided housing, transport and other services and facilities. Cost-cutting ended all this and left the workforce cut to 4,500. Local banks and creditors agreed to cut the company's debts, providing further relief. Some divisions, such as transport, were span off into sepa-rate companies, while empty production areas were rented to outside investors.

The revenue coincided with an economic upturn that lifted production from its low of 27,000 tonnes in 1993 to 45,500 tonnes in 1995. These trans-lated into sales worth 381m zlotys (\$140m), which produced a small profit.

Lest May, Stilon signed an agreement with Akzo Nobel, the Dutch chemical fibres producer, to lease production space. Talks are now under way with Nilstar, a joint venture between Rhone-Poulenc of France and Snia Viscosa of Italy, on a similar deal.

Mr Gramza wants the No 2 investment fund to provide him with "markets, capital and consulting advice". He is seeking bank leans worth \$50m to modernise machinery. The fund doubts whether Stilon'a investment plan can be financed without a strategic

Indeed, as in many of the 15 funds, top executives at Stilon and the fund managers are treading carefully, aware that if they put a foot wrong to speed up change, a damaging conflict could ensue.

> Christopher Bobinski

#### **NEWS DIGEST**

### Solid overseas sales help bolster Quelle

Quelle, the German mail order group, yesterday reported a 30 per cent rise in pre-tax profits despite a 1.4 per cent fall in domestic sales. Pre-tax profits for the year ended January 1 1996 rose from DM85m to DM110m (\$73.7m), but sales dropped

from DM12.28bn to DM12.11bn. Sales in some markets outside Germany, however, rose by as much as 8.3 per cent. In France and Austria, the increa was only 0.9 per cent and 1.2 per cent, respectively. Overall, foreign sales advanced 2.3 per cent, from DM1.63bn to
DM1.67bn, confirming that Quelle's non-domestic activities are

becoming increasingly important.

Mr Günter Moissl, board member responsible for finance, said Quelle was able to maintain strong pre-tax profits because of improved productivity and pricing structures. The company benefited from the new Leipzig warehouse which came into operation late last year. However, analysts cautioned yesterday that Germany's mail order groups would be hard pressed to maintain strong profits and sales this year. "This part of the retailing sector is really under pressure," said one.

"Not only is it becoming more competitive – it is up against
an environment which is not conducive to any great push in Judy Dempsey. Bonn consumer spending."

#### N America props up Esselte.

Improved sales in North America helped Esselte, the Swedish office supplies group, overcome sluggish demand in Europe and the negative impact of a stronger krona. Pre-tax profits in the first half rose from SKr257m to SKr296m (\$44.5m), aided by debt restaints and stronger krona. debt restructuring and lower interest charges. Operating profits dipped from SKr22m to SKr22lm, while sales dropped per cent to SKr5.7bn from SKr6.1bn last time.

The company, whose brands include Dymo labelling tools and Letraset, said turnover advanced 2 per cent after allowing for currency factors. However, sales were weak in Germany and France, Esselte's two largest and most profitable European markets. Mr Bo Lundquist, chief executive, said the group was planning acquisitions to bolster the office products division, which contributes 60 per cent of revenues. New sales companies will open in the Czech Republic and Hungary

during the autum "We are in a good financial position, which will allow us to implement our aggressive strategy for growth," Mr Lundquist said. The company reported substantially improved sales in Canada and the US, due to better penetration of "superstore" retail chains. Esselte also benefited from the restructuring of its US distribution network. Operating profits in the office products division grew from SKr210m to SKr217m, but "brisk" sales of Dymo were unable to prevent a slide in operating profits in the labelling systems unit, from SKr89m to SKr73m. Greg Mcloor, Stockholm

#### Tesco cools on French rescue

The prospect of a "white knight" bid by Tesco, the UK supermarket chain, to save the French retailer Docks de France from hostile takeover was fading last night. The UK group is understood to have cooled to the idea of a rescue, which could cost it as much as £2.5bn (\$3.9bn), However, it has. not entirely ruled out an intervention. "It is looking less

likely, but not impossible," a source close to the company said. Docks de France, which owns the Mammouth hypermarket chain, is under siege from Auchan, a privately-owned retailer which has already acquired a 17 per cent stake. French stock exchange rules mean Tesco will have to move before next Tuesday if it wants to mount an alternative bid, which would almost certainly involve a big rights issue.

Meanwhile, Mr Christophe Dubrulle, Auchan's chairman, contributed to the war of words between the two companies by suggesting the Docks de France management had lost its "sang-froid". Interviewed in Le Figaro newspaper, Mr Dubrulle also signalled his opposition to an alliance between Docks de France and a non-French chain, saying such a link would be "harmful to all our national suppliers".

Christopher Brown-Humes, London and David Owen, Paris

### Greek shipbuilder under pressure

Hellenic Shipyards, the loss-making Greek state shipbutider, has invited Brown & Root, the UK engineering and project management group, to discuss terms for a five-year management contract. The Greek group is looking for an interpretional management and the section of the second with the nternational manager under a restructuring agreed with the European Union. The offer was made after negotiations with VSEL, the UK shipbuilders, collapsed last week.

The yard's business plan calls for fresh investment of Dr12bn (\$50.7m), of which Dr3bn would be covered through bank loans, with the remainder coming through government subsidies and employee contributions. The shipyard's 2,300

subsidies and employee contributions. The snipyard's 2.300 employees earlier this year acquired a 49 per cent equity stake in the company from ETVA, a state-owned development bank which has retained the other 51 per cent.

Brown & Root was short-listed with VSEL in a public tender, but dropped out after Hellenic rejected its condition that a submarine-building programme for the Greek navy should be included in the business plan. However, Hellenic is under programme to install an international managem quickly, after pressure to install an international manager quickly, after missing a March 31 deadline set by the European Commission for completing the restructuring. Alpha Finance, the investment banking arm of Greece'e Alpha Credit Bank, is advising on the appointment. Kerin Hope, Athens

### Counterbid for Montefibre

A counterbid has been launched for Montefibre, the Italian synthetic fibres group, by the Miroglio and Verzoletto families, who have offered LL,300 a share for 51 per cent of the company. A previous bid was made by Finlane, a holding company for the Orlandi family textile group, at L1,200 a share for 45 per cent of the capital. Enichem, the chemicals subsidiary of Ent, Italy'e state-controlled oil, gas and chemicals company, recently sold its 66.4 per cent stake of Montefibre's ordinary shares and 46.5 per cent bolding of savings shares for L1,100 each through private and public placements, according to press reports.

AFX News, Miloni

NOTICE OF EARLY REDEMPTION TO THE HOLDERS OF STAR MICRONICS CO., LTD. USD 150,000,000 4 PER CENT CONVERTIBLE BONDS DUE 1998

Notice is hereby given that in accordance with Condition 6(B) of the Bonds, the Issuer has elected to redeem the outstanding principal amount of USD 1,150,000,—at a redemption price of 101 per cent of its value on 3rd September, 1996.

Payment of principal will be made upon presentation and sugrender of the Bonds with all unmatured coupons attached, and accrued interest due on 3rd September, 1996 will be paid in the normal memorr against presentation of Coupon no. 10. at the offices of the Paying Agents as

Paying Agents

Daiwe Europe Limited 5 King William Street London ECAN 7AX

Ciabank, N.A. Ciabank House 336 Strand

London WC2R 1HB

Ciribank (Switzerland) Bahnhofstrasse 63 CH-8021 Zurich

Dresdner Bank AG Jurgen-Ponto-Platz 1 D-60301 Frankfurt/Main

Banque Nationale de Paris 16 Boulevard des Italiens 75009 Paris

Citibanic, N.A. Avenue de Tervuren 249 B-1150 Brussels

The Dai-Ichi Kangyo Bank Lai. DKB House 24 King William Street London BC4R 9DB

The Industrial Bank of Japan (Luxembourg) S.A. 6 Rue Jean Monnet L-2180 Luxembourg

By: Dai-lehi Kangyo Bunk (Luxembourg) S.A. as Principal Paying Agent Dane 18th July, 1996

Salomon Brothers

Salomon Brothers

International Limited

- Car Y 1999 City

4. A V

77 m

i din sele

Investor

despite 2

lceland

17" 000

warning

shares fall

7.79

134m beats forecast

Ŀ...

- 54.  $(\mathcal{M}_{1})_{2} = (\mathcal{M}_{2})_{2}$ First

1945 red the last 1.1034 (%

Control of the second

134 M

# lid overseas sale

bolster Quel A THE STATE OF MAN PAR SALE A DESCRIPTION AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PER the selection of Will control of the American der Make **新州 李州** Mil production of Prime Line your hands of the second THE BOX SING ST West Committee

merica prope up Esselle

AND DESCRIPTION OF THE PARTY. Markey ser ! Person State of the state of Makery Branch to the GOE SHARE BASTE ..... Mary Back tons - Consultan - Consultan t Smartices M. in the second of the second the state of the s The state of the s the state well been a . de de West East of the land of Marie Marie ...

Witnessen, Street

----

Mary Mary and The Control of the Control

What School or

Married ...

CONTRACTOR SECTION

Mill the satisfy and

o cook on I reach rese

# Sets 1000000 ·阿特·安安省第一 1874年,艾叶节。 Parameter States and the second ब्रह्मपुर्वेद रोजी होता है राज्या है जातू. रेक्टीब विदेश के क्षाप्त है है है जिस्सार है है है जा है जा है park, of this is a consumer to A TELEVISION SEE TO SEE THE SEE

Company of the second second A shipbailder under prei MARKET BY A --

mil to the state of the state of PROFES TO AND ASSESSMENT OF THE PARTY OF THE Marie Committee of the 100 to 10 e mangang manggan an ang an Marie Carri de arrestor e Brance & S THE PERSON NAMED IN ● 被のをからから 「! 神教 大きなです フルバン 全 製造のアイヤー・ハー Springer of the state The second College of the Colleg 2

Marie State of the Control of the Co

Printed Street Street

at her with the same

sterbid for Montellise PARE MAR STON Charles ... e Archer

14. 1886 F. B. 15.

STAR MINT

## (Be. 1 1972) E of these things THE PARTY NOT THE tion T. 19 Sec. 184 Symples 2 = 3 2 2 2 2 And the second MANUFACTURE AND ADDRESS OF THE PARTY OF THE

Flexible managed accounts Limited liability guaranteed ■ Lowest margin deposits

Austria 0660 7480

Gesmark 8091 0430

France 0600 6446

Ircland 1 800 959018

Norway 8001 1811

See in pro seeson 1811 Spain 901) 994914

CALL TOLL-FREE

MARGINED CURRENCY DEALING

Belgium 0800 71959 Finland 0800 49129016 Italy 1678 70975 OR CALL DIRECT Tel: (49) 40 301 570 Fac: (48) 40 321 851

APPOINTMENTS ADVERTISING

Toky Floring Croits on +44 0171, 873 1486.

COMPANIES AND FINANCE: UK

### Investors shun British Biotech rights

By Simon Kuper

The largest single fund-raising exercise by a UK biotechnology company ended in disappontment yesterday when it emerged that owners of only about half the shares in British Biotechnology have taken up

their rights to new shares. The decision of so many investors to shun the £143m (\$224m) rights issue means that half of the stock being

David S Smith (Holdings), the

paper, packaging and office

stationery group, yesterday reported a 25 per cent rise in

annual pre-tax profits but

warned of difficult trading con-

ditions in the current year.

Profits rose to £124.6m

(\$194.4m) on turnover up 20 per

cent to £1.24bn. Despite the

increases, the cautious outlook depressed the shares, which

slipped 2p to 293p.

issued will be left in the ownership of sub-underwriters. This could act as a drag on

shares in a company which until recently was one of the UK stock market's star per-The rights issue disappointment is the latest in a series of recent setbacks for the biotech-nology sector. Over the last week flotations by biotech and

drugs companies such as Cam-

David S Smith cautious

gest processor of waste paper, prices for which during the

year see-sawed between £20 and £120 per tonne. This vola-tility was reflected in the

demand for corrugated card-board, one of the group's main products, which also varied

widely in the period. Mr Peter Williams, chief

despite 25% advance

RESULTS

Antibodies have raised less money than initially intended. while Cambrio postponed its debut to the end of the month. British Biotech, the sector leader with a market value of £1.28bn last night had yet to announce the result of the

The company's shares fell 67p to £19.63 yesterday, against an issue price of £20.50. They peaked at £32.65 in May. brio, Alizyme and Therapeutic The company's main pipeline

liams was also cautious on the

general economic picture in

continental Europe, although

Paper and packaging increased operating profits 27.

There were several acquisi-tions in the period, including a

controlling interest in a Polish

waste paper group and the pur-chase of a French plastic crate

the UK appeared brighter.

per cent to £110.5m.

product is marimastat, a drug which might be able to treat most cancers. It has entered phase III clinical trials and could reach the market in 1999.

Kleinwort Benson, underwriter, was left holding no new shares as the issue was entirely sub-underwritten. The 50 sub underwriters, most of them British Biotech shareholders - including Morgan Grenfell, Mercury Asset Management and Legal & General

of new shares between them. The largest sub underwriter is thought to have been left with about \$5m of the stock.

Mr Robin Gilbert, an analyst at Panmure Gordon, said: "It leaves a lot of stock in the hands of people who don't really want to hold it, acting as a drag on the market."

Analysts believe the bear market in biotech stocks is partly doe to market satiation.

#### executive, said margins had been maintained despite "very difficult trading conditions". manufacturer. Further acquisi-Continuing volatility led to Peter Williams (left), with David Buttfield, finance director

### **Iceland** shares fall 17% on warning

Iceland, the frozen food retail chain, saw its shares plunge 17 per cent yesterday after it warned that profits in 1996 would fall for the first time in its 25-year history.

The group, with 4m shop-pers a week, blamed disappointing sales, fierce price competition and a store refurbishment programme. It warned that first-half profits would be about 10 per cent below last year's £33.6m (\$52.4m) and full-year profits

would also be hit.

The problems cast a shadow over the flotation plans, of Somerfield, the UK's fifth biggest supermarket chain which is hoping to achieve a value of £540m-£570m.

"All the high street retailers, whether it is Iceland, Somerfield, Kwik Save or the Co-op are losing market share to the superstores," said Mr. Frank Davidson, food retail analyst at James Capel. Many of the superstores outlets are

Analysts questioned whether Iceland, a specialist frozen food retailer, could avoid long-term decline in a market marked by intense rivalry from the big supermarkets. "It's not a brand defi-ciency, it's a concept defi-ciency," said Mr Dave McCarthy at BZW.

Analysts, who had been expecting profits of about 273m for 1996, lowered esti-mates to £62m-£63m, against profits of £72.6m last year. The ) shares fell 24p to 118p.

### Medeva's £34m beats forecast

By Simon Kuper

Medeva, the drugs company, raised interim pre-tax profits 17 per cent to £33.9m (\$52.9m), nearly £1m higher than the company forecast last month when it announced a big

The shares rose 7p to 234p. It said there was "nothing adverse to report" so far on its \$400m acquisition from Rhône Poulenc Rorer in June of much of Fisons' former US drugs business and some French

Turnover rose 11 per cent to £129.1m for the six months to June 30. Sales of methylphenidate, Medeva's main drug which treats attention deficit disorder, rose by 25 per cent to £55m, raising its share of turn-

over from 36 to 43 per cent. Medeva said the acquisition of the RPR businesses would reduce the company's dependence on methylphenidate. The deal would lift annual sales hy a fifth to more than

#### Yr to Apr 28 258.2 ... Yr to Mer 31 + 5.06 ... Yr to Mer 31 + 5.06 ... Yr to Apr 30 13.66 .6 mins to June 30 129.1 ... Yr to Apr 30 108.3 Yr to Apr 30 108.3 25.44 0.525 7.28 0.807 33.9 1.22 2.93 4.14 (25) (8.27) (8.27) (8.27) (8.9) (8.9) (8.9) (8.9) (8.7) (1.29) (247.1 ) (3.95 ) (32.9 ) (7.06 ) (115.9 ) (83.1 ) (40.5 ) (35.2 ) (1,029 ) (28.4 ) 50.2 40 1,236 Yr to Apr 27 Finatury Technology \_\_\_\_\_ 6 mits to May 31 Finating left High \_\_\_\_\_\_ Yr to May 31 Rights & tesses \_\_\_\_\_ 6 mits to June 30 Scottlat American \_\_\_ 8 raths to June 30 \*x (97¢ ) (38.5 )

Earnings shown back, Dividents shown net, Figures in brackets are for corresponding & Comparatives resisted, #Adjusted for share subdivision, \$At December 4, §Second

### **Utd Utils** to meet investors on scheme

and William Lewis

United Utilities, multi-ntility based in the north-west of England, is to meet leading institutional investors soon in an attempt to beat off a threatened share holder revolt at its annual

meeting. Five institutional investors said yesterday they were keen to enter into talks to resolve concerns over a proposed long term incentive plan (1-Tip) for directors. One, Clerical Medi-cal and General, confirmed it would be voting against the

The Association of British Insurers said on Tuesday that several of its members planned to vote against the scheme at next week's AGM as the scheme was "over generous and over complex"

Mr John Tetlow, United company secretary, said yesterday the group was unlikely to change the plan, having consulted the ABI and seven large institutions about it before publication, but that it was keen to bold further talks. Mr William Clarton-Smith assistant investment manage

the scheme was not in share-holders' interests. "In general we look at the whole package. And it does appear that this is a fairly generous package." Under stock exchange rules introduced following the Greenbury committee's report on executive pay, companies have to gain shareholder approval before introducing new L-Tips. United requires a simple majority of votes cast at the annual meeting on July

26 for its L-Tip to be passed.

of Clerical Medical, said that

### LEX COMMENT Utd Utilities

Who will challenge the fat United Utilities cats? At United Utilities, institutional investors seem surprisingly keen to do so. And they are right to ask tricky questions. They should start with the suspicious fact that every target in the company's boous scheme for executive directors was met in full last year. Then there were the big extra bonuses paid to reward three directors for buying Norweb: if the deal was as good for shareholders as United claimed, surely directors' share options

should have been incentive eoough. Against this backdrop, it is easy to see why institu tions worry that the planned new long-term incentive plan will be too lavish. Assume, say, United's total shareholder return for a particular three year period was in line with the PT-SE100 median, and assume that was a pedestrian 15 per cent the plan would still pay the company's chief executive a £112,500 boous. On top be would get up to ££20,000 under a separate "short-term" scheme linked to vague internal tirsets and his basic salary has been increased 25 per cent to

Even if such largesse can be justified for United's char executive, the institutions are right that granting such rewards to the company's chairman as well is clearly exces sive. Nonetheless, the loog-term scheme is the wrong target: it is, after all, the part of the directors' new remunerators package which will serve shareholders' interests best. Institutions would do better to concentrate oo tightening up the short-term scheme and keeping basic salaries under control.

### |Sema buys Olivetti's facilities offshoot

Sema Group, the Anglo-French computing services company, is acquiring Syntax Processing, the facilities management arm of Olivetti of Italy, writes Alan

The deal, worth about £6-im (\$99.8m), will create ooe of operations.

diately for a 75 per cent stake and £22.6m on December 33 Syntax name and trademark

Europe's largest ootsourcing

1997 for the reoutinder. It will also pay Olivetti 29.5m for the To fund the purchase Sema is raising about £9910 after expeoses through a 2-for-11

rights issue at 195p a share.

The shares rose 14p to 705p on

Sema is paying £32.1m imme-

#### **NEWS DIGEST**

### Polish plan links **GWR** and **BBC**

GWR, the Swindon-based commercial radio group, is planning to seek radio operations in Europe in co-operation with the BBC World Service.

The World Service said yesterday that the collaboration with GWR to secure a licence for a network of nine news and talk radio stations in Poland was a pattern for the future. GWR will have a 33 per cent stake in the venture, but the BBC has an option to take 10 percentage points of GWR's

The World Service has been broadcasting in Polish since 1939 and has a weekly audience of 2.3m. It will provide news, current affairs and other programming to the editors of the Inforadio network in Warsaw.

Mr Gienek Smolar, head of the Polish Service, said yesterday: 'The Polish licensing authorities stated that they hoped the participation of the BBC in this venture would bring BBC standards and programme traditions to the Inforadio net-

GWR, which by making acquisitions has become one of the largest radio groups in the UK, has increasingly been expanding abroad. Its interests now include stakes in radio stations in New Zealand, Bulgaria and Austria and it is looking at opportunities in Hungary.

Raymond Snoddy

#### Costain rejects criticism

Costain yesterday rejected criticism that it was seeking to railroad shareholders into accepting a rescue refinancing, say-ing the proposals were the only means of securing continued

support from its bankers. Kharafi, a privately owned Kuwaiti industrial group which owns 19 per cent of the British construction group, has critic-ised the terms of a £73.6m share issue, expected to leave Intria. a Malaysian construction company, with a 40 per cent stake in Costain. It said the 50p a share offer was inadequate and unfair to existing shareholders. It wants Costain to seek a two to three month moratorium with its bankers to allow time for counter proposals to be drawn up.

Mr Alan Lovell, Costain's chief executive, said existing

shareholders could subscribe to the issue and maintain the

level of their shareholdings.

The proposals were the result of exhaustive discussions, and were "presently the only available means of securing continued support from the banks" which the group needs to continue trading. Any suggestion of a three month moratorium is therefore unrealistic." The company needs a simple majority from shareholders at an extraordinary meeting, to be held in London on Monday, for the refinancing to proceed.

Andrew Taylor

First Maryland ahead at \$32.5m First Maryland Bancorp, the wholly owned US subsidiary of Allied Irish Banks, reported net profit of \$32.5m (£21m), up from \$29.1m in the three months to June 30, lifting the half

year resullt from \$57.7m to \$62.6m. It said asset quality remained strong, with non-performing assets reduced to \$43.4m or 0.44 per cent of total assets.

Mr Tom Mulcahy, chief executive, said: "The benefits of the increased focus on developing retail and fee-related businesses are reflected in in the strong profit performance".

#### **BOC** expands into Russia

BOC, the international gases group, has made its first move into the Russian industrial gas industry.

It has agreed to pay an undisclosed sum for a controlling interest in the Volgograd Oxygen Factory, one of Hussia's top three industrial gases companies, and the leading supplier to industry and hospitals in southern Russia.

activate on +44 0071 873 405

REPORTS STRONG GROWTH IN HALF YEAR RESULTS

The Woolwich Building Society yesterday announced interim results covering the period to 30 June 1996.

GROUP HIGHLIGHTS:

PRE-TAX PROFIT AFTER PROVISIONS UP 29% TO £183m GROSS LENDING BY EXISTING BUSINESSES UP 72% TO £2.2bn NET LENDING BY EXISTING BUSINESSES UP TO £1bn

UNDERLYING COST TO INCOME RATIO DOWN TO 45.9% SUBSIDIARY PROFIT CONTRIBUTION MORE THAN DOUBLED TO £25m

Commenting on the results, Woolwich Group Chief Executive, John Stewart, said: "The first six months of 1996 has been a period of strong growth for the Woolwich demonstrated by pre-tax profits of £183 million, 29 per cent up on the same period last year, with growth evident across the Group. We are on track for conversion and flotation around this time next year."

"The product and geographical diversification of the Woolwich Group over the past six years has resulted in successful expansion into key personal finance businesses including unit trusts, life assurance, general insurance and lending operations in both France and Italy. Woolwich subsidiaries are contributing an increasing percentage to Group profit."

#### CONVERSION AND FLOTATION

In specific reference to the decision to convert to public company status, made in January 1996, Mr Stewart confirmed:

"We are on target for conversion and flotation around this time next year. The underlying strengths of our business, reflected in these results, demonstrates the potential for the Woohvich as a converted company.

OTHER EVENTS

During the period, other key events contributed to the interim results:

Purchase of the residential mortgage book of £712 million from Midland Bank SA (France) thus doubling the mortgage assets of Banque Woolwich.

Sale of Chestertons Residential for £8m.

Woolwich Corporate Bond PEP, which became the fourth largest fixed interest fund after just six months, with funds under management of £137m and 36,000 unit holders.

#### THE FUTURE

Looking to the next year and the period beyond flotation, Mr Stewart said: "Over the five years following conversion and flotation we intend to make good use of our experience in start-ups, mergers, acquisitions and joint ventures to build on our existing businesses, particularly the core U.K. savings and loans business, unit-trusts, life assurance and the Woolwich operations in continental Europe.

On conversion we will continue to be owned by our members in their new role as shareholders. Although they will have the option of realising the value of their equity investment in the Woohvich by selling their shares. I believe that many of our owners will retain their shareholdings because they see the potential for future grouth."

> It's good to be with the **WOOLWICH** -BUILDING SOCIETY-

WOOLWICH



BANCA WOOLWICH

















### Somerfield float given impetus by 43% rise

By Christopher Brown-Humes

Somerfield, the UK's fiftb largest snpermarket group, has given impetus to its flotation plans by announcing a 43 per cent rise in annual operating profits and continued momentum in the current year.

The group formerly known as Gateway, achieved betterthan-expected operating profits of £100.5m (\$157m) for the year to April 27 - despite virtually flat sales of £3.16bn (\$4.9bn).

Somerfield benefited from a 1 percentage point rise in its gross margin, increased effi-ciency, and an estimated 3 per cent rise in like-for-like sales at its upgraded Somerfield stores. But there was a 4 per cent fall in like-for-like sales at the older Gateway stores, which are steadily being converted to Somerfield formats. There was also a disappointing perforcount store chain, where com-

Tomkins, the industrial

conglomerate, believes it could

extract savings of up to £250m

(\$390m) through improved

financial controls and reduced

stock levels at Gates Corpora-

tion, the US components group

it is acquiring for \$1.37hn

The UK group, which is

today expected to report full

year pre-tax profits of £320m-

£330m (£303m), plans to impose

tighter management on Gates's

working capital once the deal

has been completed at the end

Mr Ian Duncan, finance to £131.6m.

By Tim Burt

(£870m).

parable sales dropped by as much as 5 per cent. Somerfield's figures build on its recovery since 1993, when it was close to collapse under the debt problems of its owner.

However, total like-for-like sales growth last year lagged the industry average of more than 5 per cent. And although the operating margin recovered to 3.2 per cent from 2.2 per cent, it is still well below the 7 to 8 per cent level achieved by

Somerfield will not provide a pre-tax figure until it presents its flotation prospectus, complete with a pricing range. later this week. However, after estimated interest and exceptional charges of £15m, proforms pre-tax profits would come out at about £85m, and after-tax profits at about £57m. If the group is valued on a p/e of between 9 and 10 - as

analysts expect - it could

director, predicted the savings

could be made over three years

by applying Tomkins' stock

controls at Gates's 41 factories.

"Their inventories are unbal-

anced to market require-

ments," he said, "At Tomkins,

we run at just one third of the

Gates, which manufactures

power transmission helts.

hoses and connectors, saw its

stock levels increase by 19 per

cent last year from £170.2m to

\$202.2m - a period in which

pre-tax profits fell from £48.2m

to £40.3m. Of those stocks, the

value of finished goods beld at

Gates plants rose from £109.4m

inventory they have."

expect to raise between \$512m and £570m through the flota-

However, the group has run into a more difficult new issues market and some analysts remain concerned about its weak brand name. Its emphasis on the high street as opposed to out-of-town stores and its lack of sustained record of improving profit.

Mr David Simons, chief executive, dismissed suggestions that the flotation was facing difficulties, but admitted some institutions bad expressed concerns about long-term growth prospects in a fiercely competitive market dominated by stronger competitors. He said the group had had

registered an interest in the sell-off. He suggested pricing had to be realistic. Mr Simons sald the group

Some analysts, however, said

Tomkins was being too opti-

mistic in its forecasts: one

suggested it might save no

more than £130m through cost

reduction measures. Nevertheless, Mr Greg

Hutchings, chairman, pre-

dicted unit costs would fall as

Tomkins increased sales of

Gates components in emerging

markets. He also said there

were growth opportunities in

Europe, as motor manufactur-

ers switch from chain power

transmissions to timing belts.

there would not be any large-

scale redundancies among Gates's 14,000 staff.

But Mr Hntchings confirmed

"very positive" feedback from

institutions and noted that

80,000 Somerfield shoppers had



David Simons: 80,000 Somerfield shoppers interested in self-off

had made "an excellent start" to the current year, with a higher rate of sales growth than last year. He said: "There is more buoyancy in the market, our hrand is getting more established and we have more

At the end of the financial

Tomkins, meanwhile, has

agreed to pay Mr Charles Gates, chairman and chief

executive of Gates, \$250,000 a

year in consultancy fees as a

non-executive director of the

It bas also pledged to con-

tinue an estimated £100m law-

suit against Bando, the Japa-

nese belts manufacturer, over

its alleged "misappropriation

of trade secrets" and the

infringement of Gates patents.
If the legal action is resolved

successfully, Tomkins has

undertaken to pay up to 80 per

cent of the proceeds to the

Gates family through the issue of new shares in the UK group.

enlarged group.

year, the group had 343 Somer field atores, 238 Gateway stores and 28 Food Giants. It has since switched 20 Gateways to the Somerfield format. The group plans to complete its store conversion programme, which has already cost £175m hy the end of next year.

### **EBS** buys service arm for \$150m

By Philip Gawith

The RBS partnership, the electronic foreign exchange hroker, bas bought Citicory Dealing Resources from Citi-bank for more than \$150m. The deal means that EBS, which was developed and is owned hy 13 leading foreign exchange hanks, becomes a fully integrated company with full control over its support

Previously, CDR provided operations, maintenance and technical services to KBS, hnt the activities of the two were not always fully harmonised. Now, KBS will be in a position to barness CDR's capacity to its own purposes.

Mr Peter Bartko, chairman of EBS, said: "We expect to quickly realise the benefits of the unified business as we work together on product enhancement, focused marketing and distribution and we intend to maintain and improve our market position."

KBS and Renters 2000-2, the other electronic broking system, bave made large inroads into the foreign exchange market. Together they are believed to have about a 40 per cent market share in the spot broke

Whatavar is happening in SBC, which announced an tent local manager or you are a almost identical structural reorganisation six weeks earlier, cites the changing marketplace as part of its rationale. It has created an global institutional business, SBC Brinson, built around its US acquisition, Brinson Partners, which has an expertise specifically in international equities. It also formed a domestic business

**Globalisation stirs** 

Swiss to shake up

Banks face new challenges, writes Norma Cohen

asset management divisions. fund management.

ment operations into two distinct corporate entities. These are Credit Suisse Private Banking, which is to be part of the bank's domestic Swiss activiasset management centres in ties, and Credit Suisse Asset Management, an antonomous division within the group's

Credit Suisse First Boston. Credit Suisse has not yet talked about the reorganisation's rationale, except for a pronouncement that: "The new structure responds to increas-ing globalisation and the needs of the group's markets".

But some data from Micronal, which measures the performance of retail investment funds, offers some interesting insights into the strengths and weaknesses of the CS husiness. The bank's Swissac domestic equity fund ranks in the top quartile of similar funds over , 3- and 5-year periods and its hond funds show similarly good performance. But its CS Tiger Fund, a Pacific Basin merging markets fund which is one of the world's largest, ranks near the bottom over similar periods.

Switzerland? For decades, the

quiescent clientele of the Swiss

banks' fund management arms

have been content with a ser-

vice aimed at guaranteeing

But in recent weeks, two of

the three largest banks, Swiss

Bank Corporation and Credit

Suisse, have announced a

shake-up of their corporate

structure which includes a

reorganisation of their asset

Credit Suisse's move, which

came only last week, effec-

institutional hanking arm.

tively splits the fund manage

management divisions.

their capital and anonymity.

Mr Chris Poll, Micropal's chairman, says thet the weaknesses of Swiss players generally in international equities is likely to become their Achilles heel. "Swiss banks have operated in a closed-shop environment. But wealth is becoming more international," Mr Poll estimates that 50 to 70 per cent of Swiss assets are from nondomestic clients and these view their wealth as mobile. Credit Suisse's competitor.

which covers the private client

Moreover, the advent of new pensions laws in Switzerland has increased the demand for

Because of the introduction of compularry pensions (in 1986), Switzerland has become one of the most important

#### EUND MANAGEMENT

the world," saya Mr Gabriel Herrera, managing director of Swiss institutional asset management at SBC.

The law raquires any employer of three people or more to create an occupational pansion scheme. This has spawned a large number of schames and, perhaps more significantly, has encouraged the managers of some existing schemes to think harder about the investment returns needed to provida henefits. And because equities have offered higher real returns than bonds, fund managers need to demonstrate their expertise in that area as well.

Moreover, some bankers privately say, the recent co-operation which Swiss authorities are giving to law enforcement officials in other coontries is encouraging so-called hot money to move elsewhere. So Swiss bankers see fewer clients who only desire are anonymity and capital preservation.

This new competitiveness. Mr Herrera argues, is encouraging the polarisation of the Swiss asset management business. "Either you are a compe-

APPOINTMENTS ADVERTISING

truly global player," he says. Mr Chris Nowakowski, president of InterSec, the US-based pension investment consultancy, says the changing client base is forcing Swiss banks to change their approach. "Their bread and butter had been an unnamed account who was only interested in capital preservation and didn't care about performance," he says.

"At the same time, we are seeing the growth of institutional asset mangement." Mr Nowakowski says. "And that money is interested in more than just capital preservation."

One indication of how competitive the market has become is that the Swiss Bankers Association has awarded InterSec a contract to measure the performance of individual Swiss funds, although none of its data may be released publicly. Also, from next January, the Association has agreed a format for calculating performance, which bankers may use in their marketing materials. Another indication of the

growing competitiveness is the use of professional consultants to help institutional clients choose a manager. Mr Nowakowski estimates that as many as two-thirds of institutional clients now use a consultant for at least a portion of their funds. This has allowed foreign fund managers to make first inroads into the traditionally closed Swiss market.

However, no one is suggesting the Swiss banks risk losing pole position in their bome market any time soon. For one thing, restrictions on pension investments require heavy asset allocations in Swiss bonds and equities, the sectors in which the banks do best.

Second, they are demonstrat ing their determination to fight hack by buying in expertise they do not already have.

"If only the Swiss could comhine their reputation and their name with ability and performance," says Mr Poll wistfully. "Then they could have this market sewn up." question is whether they have

ı i.

-

### Nielsen set to lose contract

By Raymond Snoddy

of this month.

AC Nielsen, the international television ratings and market research group, is in danger of losing a contract in Ireland before it has begun unless it can meet a final deadline.

The company - which is part of Dun & Bradstreet, the information group - was supposed to begin offering a more comprehensive television ratings service to RTE, the Irisb national broadcaster, and the Irish advertising industry, on

But, according to RTE executives, this deadline was not met, and nor was a plan to begin the new ratings service on June 1.

Now Nielsen has been told it has to provide evidence by August 8 that it can offer the new comprehensive ratings research from the beginning of

and if the company cannot meet it the likelihood is that RTE and Irlsh advertisers could go elsewhere for their ratings research.

Tomkins sees £250m cuts at Gates

This deadline is seen as final,

Under the terms of the contract - won in a competitive tender - the market research group had to increase the size of the audience panel monitor ing viewing habits in Ireland.

from 400 to 600. Accurate audience research is particularly important for RTE, which has to hattle against the main British channels available in many parts of

Nlelsen is in the midst of corporate restructuring. It won the contract from the existing bolder, Irish TAM.

#### Guinness Mahon offshore growth

Guinness Mahon, the London

New World has \$2bn of funds under administration. Philadelphia International Investment, subsidiary of CoreStates, will retain an equal bolding with Guinness Mahon in New World, but Guinness will take over management control.

merchant banking arm of the Bank of Yokohama, is to expand its offshore private hanking and trust business by buying a 42.6 per cent stake in New World Group Holdings from the US's CoreStates Bank

expoors in the UK edition every Wednesday & Thorsday and to the international adition every Friday.

For further information places call: Yeary Findon-Crefts on +44 0171 873 3456 Andrew Sherzynski ee +44 0171 873 4054

### **ASTIKA AKINITA**

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS TOURIST AND RELATED ENTERPRISES

REPEAT PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE "SKIATHOS PRINCESS ELISABETH" HOTEL UNIT

capacity as special liquidator, by venue of Judgements nos. \$93/1994 and 229/1996 of the Lanssa Coun of Appeal, of the assets of the hotel unit under the file "SKIATHOS PRINCESS ELISABETH" (henceforth releared to as the "Enterprise" which is owned by the incorporated company "SKIATHOS TOURISM HOTEL AND GENERAL ENTERPRISES P.V. DERVENIS S.A."

e repeat public call for lenders with sealed, binding offers, for the sale of the assets of the "Enterprise" which has come under special liquidation by virtue of article 46a, L.1892:1990. BRIEF DESCRIPTION OF THE UNIT

The above unit is owned by the incorporated company "SKIATHOS TOURISM HOTEL AND GENERAL ENTERPRISES P.V. DERVENIS S.A. which was established by act no. 10.876/31.10 1998 of the Skiathos, notary outlie Christos K. Giasacias, with head offices in the Municipality of Shighbas, Prefecture of Magnisia. The company operated the hotel unit until the issue of the above judgements by the Larissa Court of Appeal, whereupon it came under special liquidation as provided by article 46a, L 1892/1990 and the company ASTINA AKINITA S.A. was appointed special

The hotel unit under sale belongs to the Luxury Class and has a capacity of 133 rooms: 264 beds. It is located on the coast at Agua Paraskovi, Isle of Stuamos, at a distance of approx, 6kim, from the fown, on a site with a total area of 27,345 00 sq m. The hotel complex consists of seven (7) mail buildings - wings covering a lotal land area of 4.115.25 sq.m. plus covered areas, a lotal constructed area of 8,932 sq.m., and a number of autiliary buildings serving the additional operational requirements of the unit

any interested pathy to receive an offer memorandum and submit a sealed binding offer accompanied by a letter of guarantee by a Bank operating IOrs. 150,000 0001 and the contents described in the offer memorandum.

- 1. The public call tenders will be carried out in actordance with the provisions of article 46a, L. 1892/1990 which was added to the law by virtue of the provision of article 14, L.2000 91, as amonded, modified and applicable, the terms included in the present call for tenders and the torms of the primary and the additional offer memoranda, which interested parties may obtain after submitting a pleage of confidentiality
- 2. In order to participate in the call for tenders, interested parties e invited to deliver a sealed, binding offer in writing by 11:00 Tuesday, July 30, 1996 to the Skiathos notary public Christos K. Glasagias, 28 Papadismantl street, 370 02 Sklathos, Iel.: (0427)
- fax: (0427) 2.1988. 3. The offers and the letter of guarantee must be delivered in a sealed. opaque envelope by the interested party in person or by a duly
- authorised representative 4. The offer must member clearly the amount offered for the curchase of the hatel unit ("Enterprise") and must not contain any terms, options or vague phrases which might create uncentainty as to the amount, the manner of payment of the sum being offered or other matters related to
- 5. Offers delivered after the expiration date will not be accepted and will not be considered. The binding nature of the offers will apply until the award
- 6. The assets of the "Enterprise" and all the secondary fixed or current ambutes of which they consist, such as mall estate, moveable objects, claims, name, bile, rights, etc. will be solo and transferred "as and where they are", i.e. in they real and legal condition and at the place where they are located on the date of signing the contract of sale.

- "ASTIKA AKINITA S.A." (43 Panepishmou str., 105 64 Athens), under its 7. The figuidating company and the creditors representing 51% of total claims against the "Enterprise" (para 1, article 46a, L.1892/1990 as applicable) are not liable for any legal or roal detects or the lack of any attributes of the objects and rights being sold, nor are they liable for any omissions or inaccuracies contained in their description in the offer memorandum or any correspondence
  - 8. Interested potential purchasers are obligated, under their own supervision, and by their own means, expenses and personnel, to investigate and acquire a personal perception of the objects being sold. legal status of the assets under sale
  - The liquidator and the creditors mentioned in para, 7 above are entitled, according to their own judgement, to reject offers containing terms and whether they are superior to other others as regards the amount being offered. In every case, the creditors are entitled, according to their own judgement, to dismise offers containing terms or options, regardless of whether such offers are superior to others, or consider such terms as not included, in which case the offer remains binding as to its contents (article 2, para 3, L.2302/1995).
  - 10 in the event that the highest bidder violates his obtantion to name lorward and sign the relevant contract within ten (10) days from the Invitation by the liquidator and observe the obligations arising from the present announcement. The letter of guarantee is forfeited in tayour of the liquidaling company lowards covering all its expenses of any type and its services, as also any direct or indirect damages, without the necessity of proving specific damage and as a penal clause in tayour of that company, deemed as having been submitted with the offer, so that the guarantee may be collected from the issuing Bank.
  - The letters of guarantee are returned to all the other participants following the evaluation report of the liquidator, and to the successful bidder, to whom the sale will be awarded lollowing the payment of the arrount agreed and the draiting of the payment order.
  - 11. The seats of the offers will be broken by the notary public mentioned above, at his office, at 12:30 on Tuesday, July 30, 1995.
  - 12. The successful bidder will be the party whose offer will be judged by the liquidator and approved by the creditins mentioned in para. 7 of the
  - 13. The liquidator will notify the successful bidder in writing of his obligation to come forward to the place and at the time determined in the notification, for signing the contract transferring the assets, according to the terms of the offer and any improved terms that may be indicated by the creditors and agreed with the highest bidder.
  - 14. All expenses and costs ansing from participation in the tender and the transfer of assets (such as taxes, stamp duty, netanal less, V.A.T., publications, etc.) will burden the interested potential purchasers and the highest bidder, as releated to the above offer memoranda 15 In the event of part of the purchase amount being on credit, the highest

bidder will be under the obligation to provide any guarantee requ

by the laudator according to its own, exclusive autoement, and will be

burdened with all related expenses and leds for the formation of such

- guarantees and their cancellation. 18. The famiciator and the creditors will not bear any responsibility or liability against those who participate in the lender as regards the evaluation of the offers, their recommendation of the successful bidder, the decision for the repetition or cancellation of the tender and any other decision
- relevant to the procedure and realisation of the lender. 17. The present announcement has been dratted in the Greek language and translated into the English language. In every metance however, the Greek text will provad

interested parties may collect offer memorandums and receive other information from Mr. George E. Polmenides and Mr. Alexandros Moggos, 43 Panopistimiou str., 105 64 Athens, tel. nos: 326.6113 and 326.8080, fax no: 326.6118.

### ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS TOURIST AND RELATED ENTERPRISES

REPEAT PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE "MARTIN BEACH" HOTEL UNIT

"ASTIKA AKINITA S.A." (43 Panepistimiou etr., 105 64 Athens), under its 7. The liquidating company and the creditors representing 51% of total claims capacity as special liquidator, by virtue of Judgements nos. 593/1994 and 229/1896 of the Lanssa Court of Appeal, of the assets of the hotel unit under the title "MARTIN BEACH" (henceforth referred to as the "Enterprise") which is owned by the incorporated company "MARTIN BEACH HOTEL S.A."

a repeat public call for tenders with sealed, binding offers, for the sale of the assets of the "Enterprise" which has come under special liquidation by virtue of article 45a L. 1882/1990.

ACTIVITIES AND SRIEF DESCRIPTION OF THE COMPANY

The above unit is owned by the incorporated company "MARTIN BEACH HOTEL S.A.\* which was astablished by act no. 10.077/16.1.1965 of the Athens notary public K. Glanoulas. The head offices of the company according to its articles of association is the Municipality of Sidathos, Prefecture of Magnisla. The company operated the hotel unit until the Issue of the above sudgements by the Larissa Court of Appeal, whereupon it came under special liquidation as provided by article 46a, L. 1892/1990 and the company ASTIKA AKINITA S.A. was appointed special liquidator.

The hotel unit under sale belongs to Hotel Class & and has a capacity of 41 rooms - 80 beds. It is located at Tzanena, Isie of Sklathos, at a dis approx. 4,5 km. from the town, on a site with total area of 4,968.46 sq.m. The hotel complex consists of two (2) main buildings-wings covering a total constructed area of 2,230 sq.m. plus terraces and semi-covered areas, erected on lifteen different levels in line with the considerable natural inclination of the ground.

all interested parties to receive an other memorandum, and submit a sealed. binding offer accompanied by a letter of guarantee by a Bank operating lawfully in Greece, for the sum of forty million Drachmee (Itrs. 40,000,000) with the contents described in the offer memorandum,

CONDITIONS

1. The public call for tenders will be carried out in accordance with the provisions of article 45s, L. 1892/1990 which was added to the law by virtue of the provision of article 14, L. 2000/91, as amended, modified and applicable, the terms included in the present call for tenders and the terms of the offer memorandum, which interested parties may obtain after submitting a pledge of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 11:00 Tuesday, July 30, 1996 to the Skisthos notery public Christos K. Gissaglas, 28 Pepadiamenti street, 370 02 Skiethos, tel: (0427) 2.2232, fax: (0427)

3. The offers and the letter of guarantee must be delivered in a sealed, opaque envelope by the interested party in person or by a duly authorized

4. The offer must mention clearly the amount offered for the outchese of the notel unit of the ("Enterprise") and must not contain any terms, options or vague phrases which might create uncertainty as to the emount, the manner of payment of the sum being offered or other matters related to the sale.

5 Offers delivered after the expiration date will not be accepted and will not be considered. The binding nature of the offers will apply until the award of the

6. The assets of the "Enterprise" and all the secondary fixed or current attributes of which they consist, such as real estate, moveable objects, claims, name, title, rights, etc. will be sold and transferred "as and where they are", i.e. In their real and legal condition and at the place where they are located on the date of signing the contract of sale.

against the "Enterprise" (para. 1, article 46a. L. 1892/1990 as applicable) ere not liable for any legal or real defects or the lack of any attributes of the objects and rights being sold, nor are they liable for any omissions or inaccuracies contained in their description in the offer memorandum or any correspondence 8. Interested potential purchasers are obligated under their own supervision and

by their own means, expenses and personnel, to investigate and acquire a personal percaption of the objects being sold, and to mention in their offer that they are fully informed as to the real and legal status of the assets under sale. 3. The liquidator and the creditors mentioned in para. 7 above are entitled, according to their own judgement, to reject offers containing terms and options, or the phrases referred to in para 4 above, regardless of whether they are

superior to other offers as regards the amount being offered. In every case, the creditors are entitled, according to their own judgement, to dismiss offers containing terms or options, regardless of whether such offers are superior to others, or consider such terms as not included, in which case the offer remains binding as to its other contents (article 2, pare, 3, L.

10. In the event that the highest bloder violetes its obligation to come forward and sign the relevant contract within ten (10) days from the invitation by the liquidator and observe the obligations arising from the present announcement, the letter of guarantee is forfeited in favour of the liquidating company towards covering all its expenses of any type and its services, as also any direct or indirect damages, without the necessity of proving specific damage, and as e penal clause in favour of that company, deemed as having been subm

the offer, so that the guarantee may be collected from the assuing Bank. The letters of guarantee are returned to all the other participants following the evaluation report of the liquidator, and to the successful bidder, to whom the sale will be awarded toflowing the payment of the amount agreed and the

drafting of the payment order. 11. The seals of the offers will be broken by the notary public mentioned

above, at his office, at 12:00 on Tuesday, July 30, 1996. 12. The successful bidder will be the party whose offer be judged by the

liquidator and approved by the creditors mentioned in para. 7 of the present, as being the most advantageous for the creditors of the "Enterprise". 13. The liquidator will notify the successful bidder in writing of his obligation to come forward to the place and at the time determined in the notification, for signing the contract transferring the assets, according to the lerms of the offer and any improved terms that may be indicated by the creditors and agreed with

14. All expenses and costs arising from participation in the tender and the transfer of assets (such as taxes, stemp duty, notarial fees, V.A.T., publications, etc.) will burden the interested potential purchasers and the highest bidder as

relemed to in the above offer memora 15. In the event of part of the purchase amount being on credit, the highest bidder will be under the obligation to provide any guarantee requested by the liquidator according to its own, exclusive judgement, and will be burdened with all related expenses and lees for the formation of such guarantees and their

18. The liquidator and the creditors will not beer any responsibility or liability against those who participate in the tender as regards the evaluation of the affers, their recommendation of the successful bidder, the decision for the repetition or cancellation of the tander and any other decision relevant to the

cedure and realisation of the tender. 17. The present announcement has been drafted in the Greek language and translated into the English language. In every instance however, the Greek text

Interested parties may collect offar memorandums and receive other information from Mr. George E. Polmenides and Mr. Alexandros Meggos, 43 Panepistimiou str., 105 64 Athens, tel. nos: 326.6113 and 326.8080, lax no:

The state of the s

THE PLANT OF THE PARTY OF THE P Contract Con Wanter !

Superior.

17.3

BOTH BETTER PROJETS

The second secon

 $^{\prime }\succeq .$ 

ugoslav asse

lit 'can proce

Programme 1 THE PERSON LAND Section 1 SHEET THE TWO IS NOT THE OWNER. The second second **等** 的 的 一

Marie 19 19 10 10 10 والمراجع والمحاد المتناقبة Mr Markey Commence THE STATE OF THE S

State of the last of The Park The MAYER IN THE PARTY OF THE PARTY

edel unit to exte ectronic trading

Marie Comment BASE ROAD TO TOUR TO THE **41.** 20 € particular and the second A 362 ...

Dollar weak ahead of Fed testimony By Robert Chate The short-term prospects for the US dollar rest in the hands of Mr Alan Greenspan, the Federal Reserve chairman, who gives his Humphrey Hawkins testimony to Congress today. Following Wednesday's sharp fall, the dollar edged lower yes-terday in nervous anticipation.

Trading in the dollar was much calmer yesterday than it had been on Wednesday, helped by rather less violent finctuations on the US stock market. The US currency closed half a pfennig lower against the D-mark in Europe at DM 14865 and half e yen lower et Y108.755. Wall Street's early recovery

MARKETS REPORT

helped the dollar, although it could not sustain any of its flirtations above DM1.49 The D-mark's strength against the dollar was mir-

rored meanwhile in its performance against most other European currencies. D-mark rose by five Italian lire POUND SPOT FOR

Jul 17

to L1025, while the pound dropped 2.2 pfennigs against the D-mark to DM2.3018. But the French franc edged up from FFr3.389 to the D-mark to close at FF73.387.

Fears that the Federal Reserve would raise US interest rates before the next formal meeting of the Federal Open Markets Committee have been all but dispelled by the fragility of Wall Street. The markets have been left all the more reliant on Mr Greenspan for a

fresh sense of direction. "He is either going to upset the equity market or upset the bond market", said Mr Avinash Persaud, currency strategist at JP Morgan in London. "Either could be bad for the dollar".

E Post	ad in New Yor	k
Jac 16		Prev. cines -
£ apot	1.5465	1.5800
1 =0:	1.5483	1.5595
3 mtb	t_5462	1.5592
1 yr	1.5428	1.5822

18.1962 -0.1577 874 - 059 16.3285 16.1822 16.1699 2.3 18.002 2.6 47.4390 -0.4499 183 - 614 47.7190 47.3220 47.3449 2.4 47.1549 2.4 45.3649 8.8773 -0.0841 724 - 822 8.9326 8.8702 8.8638 1.9 8.8432 1.5 8.7354 8.9929 -0.1122 850 007 7.0580 6.9850 6.9850 0.8 8.9804 0.7 7.7078 -0.0767 987 018 7.8529 7.7881 7.7855 1.9 7.7626 1.6 7.6694 2.2018 -0.0224 003 - 032 2.3174 2.2975 2.2974 2.3 2.2883 2.3 2.2496 3.65543 -2.767 297 788 857.972 985.289 0.967 8.9 0.967 1.8 0.9658 0.7 0.9613 2.259.21 -11.13 743 - 039 2.271.05 2355.97 2364.76 -2.8 2374.61 -2.6 2407.11 -47.4396 -0.4499 183 - 614 47.7190 47.2220 47.3449 2.4 47.1549 2.4 46.3699 2.5839 -0.0253 827 - 851 2.6007 2.5796 2.5773 2.8 2.5858 2.8 2.6181 8.9117 -0.0616 0.30 -204 10.0015 9.8977 9.9032 1.0 9.8862 1.0 9.8027 286.362 -2.28 766 -0.28 239.021 2354.465 237.307 -2.2 238.212 -2 2.2194.803 -1.353 707 - 998 198.326 194.379 185.083 -1.6 195.578 -1.9 196.978 10.2664 -0.1024 796 -814 1.9000 1.8764 1.8755 3.2 1.8847 3.4 1.8165

1,2227 ~0.0094 218 - 235 1,2292 1,2208 1,2214

~0.0092 457 - 489 ~0.0085 579 - 591 ~0.0129 228 - 248 ~0.0864 391 - 537 ~0.0091 480 - 489

~0.0049 817 - 641

BASE LENDING RATES

5.75 5.75

Adiam & Company -Allied Trust Bank -

OHerny Arebecher 5.75
Bark of Barces Street
Barces Billings Viscasy 5.75
Bark of Cyprus 5.75
Bark of India 5.75
Bark of India 5.75
Bark of Scotland 5.75
Bark of Scotland 5.75
Bark of Scotland 5.75
Bark of Mark East 5.75
Barcays Bark 5.75
Citizent NA 5.75
Citizent NA 5.75
Citizent NA 5.75
Coults & Co Led 5.75

1.5585 2.1238

1.3

1.5669 1.5455 1.5686 1.5559 2.1360 2.1214 2.1231 0.4 2.1195 0.8 2.1114 0.8

1.2184

133.5

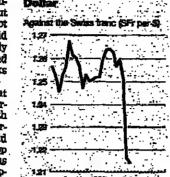
had been checking prices circulated around the market, but concrete intervention did not materialise. Mr Persand said that the dollar could probably drop to around DML45 and Y106 before the central banks

felt compelled to act. But Ms Alison Cottrell, at PaineWebber, said that if mar-kets collapsed in the aftermath of Mr Greenspan's performance, central banks would probably be powerless to prop the dollar up. Intervention was more likely if it started slipping again a comple of weeks deeper into the holiday season.

The chance of a cut in Ger-man interest rates next week have been increased by the strength of the D-mark relative to the dollar, according to Mr Gerard Lyons, at DKB International. He added that the strength of the D-mark was clearly unwarranted, although trends would clearly be uncertain for the next few days.

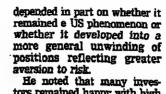
Mr Lyons also pointed out

Mr Greenspan's dilemma if he



sought to calm the markets: "He has to deal with equity bears and bond bawks".

The Swiss franc remained a significant beneficiary of the dollar's weakness, with the US currency felling almost another centime to SFr1.2145. Mr Persaud said that the long-term significance of the dollar's recent weakness



**CURRENCIES AND MONEY** 

tors remained happy with high yielding European bond markets, and were worried simply by the currency outlook.

■ Sterling had a difficult day yesterdey, descending to a nine-week low against the D-mark as it suffered in sympa-Against a basket of curren-

cies the pound opened 0.4 points lower et 85.1 per cent of its 1990 value, before slipping by a further 0.3 points during European trading, "That was e big move by any measure". said Mr Lyons. Sterling also fell almost a cent to \$1.5485.

Analysts said that sterling's travails were largely e reflec-tion of its umbilical link to the dollar, aithough investors also appear increasingly concerned

depended in part on whether it remained e US phenomenon or retes between Mr Kenneth retes between Mr Kenneth Clarke, the chancellor, and Mr Eddie George, the governor of the Bank of England.

The minutes of the June meeting revealed that Clarke overruled Mr Geor objections in cutting inte rates by a quarter-point. Ec omists fear a repeat per mance when they next mee the end of this month.

The fall in average earn growth from to 3.5 per cer the year to May was a welc surprise, but had little imp Mr Steve Barrow, at Char London, said he doubted sterling's decline would time for long, as it refle

= OTH	de Colembica	
Jel 11	3	\$
Czeck Rp	41 4756 + 41 5307	25.7930 - 25.8130
Hangary	230.404 - 230.615	148.840 - 148.890
lan .	4646.70 - 4644.00	3000.00 - 3000.00
Commit	0.4629 - 0.4647	0.2989 - 0.3099
Potent	4.1657 - 4.1758	26910 - 26960
Restrict.	7988.10 - 7978.35	5148.00 - 5151 D
UAE	5.685D - 5.6891	16725 - 36730

		-		_	T THE	_	_			_			
Jul 17		Closing mid-point	On day	Bid/offer apreed	Day's high	tow work	Case par	MPA	Three me	NPA	Con y	%PA	LP Motga index
Europe				7									
Austria	(Sch)	10.4609	-0.0398			10.4270	10.4414	2.2	10.3904	2.4	10,2159	2.3	104.3
Belgkm	(BFr)	30.6370	-0.105	320 - 420		30.5000	30.582	2.2	30.467	2.2	20.927	2.3	106 7
Denmark	(DKI)	5,7390	-0,0203	315 - 345	5.7520		5.7255	1.6	5.7065	1,7	5,6395		107.5
Finland	(E-M)	4.5181	-0.0456		4.5455	4.5022	4,5008	1,7	4,4976	1.6	4.4521	1,4	84.0
France	(F <del>T</del> 1)	5.0350	-0.0196		5.0552	5.0178	5.029	1.7	5.0147	1,7	4 9469	1,6	109.2
Germany	(DM)	1.4885	-0.0057	860 - 870	1.4920		1,484	2.0	1.4782	2.2	1.45	2.5	108.8
Greace	(Dr)	236,070	-0.30	980 - 160		234,450	237.745		241.095	-8.5	255.07		86.8
Ireband	(EZ)	1.6005	-0.003	998 - D14	1.6077	1.5940	1.6011	-0.4	1.8018	-0.4	1.5035	0.4	
italy	67	1523.60	+1.91	289 - 430		1512.81	1528.35	-3.7	1536.5	-34	1559.25	-23	76.0
Luxambourg	(LFr)	30.6370	-0.105	320 - 420		30.5000	30.584	2.1	30.A775	2.1	29.997		108.7
Netherlands	(FI)	1.6687	-0.0085	684 - 640	1,6749	1.6631	1.6654	24	1.6583	2.5	1.6265		106.6
Morway	(Ollo)	6,4011	-0.0149	973 - 048	B.4323		8.3981	D.B	5.3926	0.5	8.3561	0.7	98.2
Portugal	(En)	152.980	-0.565	830 - 030		152,080	153,295	-2.5	153.885	-24	156.03	-2.0	95.2
Spatin	(Pta)	125,805	-0.13	780 - 830	126.450	125,200	126.055	-24	126,485	-22	120 025	-1.9	80,6
Sweden	(SKr)	6.6311	-0,0268	270 - 352	6.6856	6.8042	66451	-2.0	6.6596	-1.7	8,7018	-1.1	88.1
Switzerland	(SFr)	1.2145	-0.0083	142 - 147	1.2245	1.2083	1.2109	3.5	1,2035	3.6	1.17	3.7	111.4
UK	E)	1.54B5	-0.0001	480 - 480	1.5594	1.5460	1.5481	0.3	1,5487	-0.1	1,5513	-02	85.1
Ecu		1.2685	+0.0022	860 - 889	1.2728	1,2635	1,2672	-0.7	1,2689	-0.8	1.2777	-0.9	
SDR†	-	0.68940		•			•	-	•	-		•	
Argentina	(Peso)	Q.9986		985 - 967	0.9999	0.9964		-	-	-			
Brazil	(RS)	1.0065	+0.0004	064 - 066	1,0067	1.0083	-	-	-	-		-	
Cenada	(CS)	1.3718	-0.0003	713 - 718	1,3725	1.3684	1,3714	0.1	1,3717	0.0	1.3745	-0.2	83.1
Mexico (New	Pesci	7.8505	-0.0105	480 - 530	7,6540	7,6480	7.812	-25.3	7.997	-18,1	9.7605	-27.6	
USA	(5)		•		.,								97.4
Pacific/Middle		Africa											
Australia	LAST	1.2676	+0.0043	673 - 681	1,2713	1.2060	1,2696	-1.B	1.2731	-1.7	1.2918	-1.9	94.5
Hong Kong	(1-003)	7.7370	+0.0005	365 - 375	7.7375	7,7360	7.7377	-0.1	7.7395	-0.1	7.7665	-0.4	
iradia.	(Rs)	85,8000	+0.05	000 - 000	36,1000		35.95	-5.0	36,255	-5.1	37,725	-5.4	
lerael	(9)143	3.1852	+0.0018	827 - 877	3,1913		4444		-	-01	A. 11-4	- 34. 4	
Japan	(m	108,755	-0.5	710 - 800		108,630	108.31	4.9	107.41	4.9	103.67	4.7	133,4
Makysia	(Ass)	2,4866	-12-3	860 - 870	2.4878	2,4848	2.4874	-0.4	2,4935	-1.1	2.517	-1.2	100
New Zealand	(NZS)	1,4507	-0.0015	501 - 518	1.4523	1,4500	1.4538	-2.6	1,4506	-2.5	1,4842		
	(Peso)	26.1850	-0.0013	800 - 100	26.2700		1.4330		1,4480	-2.5	1,4044	-6-0	
Philippines			•				0.755		0.7547	~-	0.000		
Seudi Arabla	(SFI)	3.7505		504 - 508	3.7507	3.7504	3.751	-0.1	3.7517 1,4086	-0.1	3.755		
Singapore	(55)	1,4182	+0.0011	177 - 187	1.4183	1,4155	1,4146	3.0		2.7	1,3832	2.5	
South Africa	(F0	4,3915	-0.04		4.4300	4.3885	4,439	-13.0	4.529	-12.5	4,8665	-10.8	
South Korea	(Won)			300 - 500								-	
Talwan	(13)	27,5690	+0.0045	830 - 750		27.5200	27.574		27,570	-0.1			
Thelland	(Bt)	25,3200	-0.03	100 - 300	25.3370	25.3100	25.4187	-4.7	25.6225	-4.8	26.505	-4.7	

				2.4	31.	3 🛓			ā
Wetherlands Week ago		3 <sub>1</sub> ,	3 3	3.3 3.4	3'4	32		300	
Switzerland		22	24,	200	22	24	5.00	1 50	_
week ago		24	24.	27 5'-	2.1	25	5 00	1.50	
us _		50.	54		54	В	-	5 OC	
week ago		54	54	5%	52	63	-	5.00	
Japan		15	÷	*		34	-	0.50	
week ago		<u> </u>				174		C.50	
s \$ LIBOR   Interbank Ft		<b>X7</b>	£ 19	671	56.	67	_	_	
week ago	raig	-	533 533	5 <u>7</u> 52	58	62	Ξ	- :	
US Dollar C	De	_	5.16	5.34	5 46	5.75	_	_	
week #GD		_	5.16	5.35	5.53	6.93	_	_	
ECU Linked	Ds	-	4	4%	41	42	•	-	
week ago		-	4.	42	4	42	-	-	
SDR Linked Week ago	Ds.	-	3¥ 7£	31	31.	3 <u>0</u> 30	-	-	
LIBOR Mets	enk Sukst a	wice M	a offere	_	-	ad so the m	- univer its fo	-	
at 11em cach	working d	ley. The	r burks	are than	uars frunt	Hart of T	UNITED HIS	AND I	and A
Westminster. Mej miss are s	showin for	The day	mette A	Aoney Rate	e, LCS CI	ECU & :	SDR Lower	d Chep	cq.tg
EURO Ç	URRE	NCY	/ INC	E Rips	T RA	TES			
Jul 17		tort	7 d	ays.	One	Three	5/x		0
		m	not		nonth	months	mont:		
Belgian Franc		318	3¼ -	314 33	- 25	3 - 3 - 3 - 4 - 3 - 3 - 4 - 3 - 3 - 4 - 3 - 3	313 · 3		3
Denigh Krone D-Mark		- 34	336 -	34 33		23. 23.	4 lg	갼	4
Dunch Guider	212	- 212	3.	24 3,	211	31 31 31 31 31 31	314 ·	3,	j,
French Franc	31	- 212 - 3% - 713	713 713	341 34	· 218	31 31	313 - 3	312	
Portuguese Er	C. 77	- 7년	7 7	7, 7,	- 144	74a - 785	744 . 3	•	7.44
Spanish Pess	a 7's	- 75	713 .	7 7	- 7	TM - 7%	ъ. 53		714
Starting	54	- 5	54 -	511 5	- 5	54 51	534 . 8	5	ь.
Swies Franc	23	- 24 - 411	2.4	3) 3/		211 - 374	24 - :	•	
Can. Dollar	44	- 411	44	4. 4		44	5 - 4	3	• •
US Dollar	228	. 274	5.	5,2 5,1		5'8 5	27	•	67
Italien Lira	679	- 87	912	- 9 9,i	- 812	BF - 022	57g - 5	1	BH
italien Lira Yert	679	- 87	OI.	- 9 9	- 812	14 - 13	t3 · §	i.	Big
italien Lira Yen Assan \$Sing	319	- 3 <sup>1</sup> 4 - 14 - 8 <sup>1</sup> 7	31 <sub>8</sub> -	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	. 812 . 13 - 34	312 - 214 15 - 17 617 - 613	321	3	B)3
italien Lira Yen Assan \$Sing	319	- 3 <sup>1</sup> 4 - 14 - 8 <sup>1</sup> 7	31 <sub>8</sub> -	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	. 812 . 13 - 34	312 - 214 15 - 17 617 - 613	321	3	B)3
Italien Lina Yen Assan \$Sing	9 <sup>1</sup> 1 3 <sup>3</sup> 2 6 ma call 1011771 P	or the	S Col	9 93 31 31 br and Ye	. 8]2 . 12 . 34 n. rehem TIF) Pare	two chas, in 15 - 2 pl 15 - 2 pl 15 - 17 - 18	3)) Litica coffered a	ii ii rato (i	311 311 Fr 5
Italien Lina Yert Assan \$Sing Short town rate MI THERMINE M	Open	- St. - 34 for the 1BOR Sett 1	3 to US Doll FUTU	314 31 Ber and Ye PARS (MA Change	. 812 . 12 . 33 n. rethers TIF) Pare High	runtpark Imagens: 1 31 <sup>7</sup> - 91 <sup>8</sup> 15 - 17 16 - 18	3)) Latica coffered a	ii 3.1 rate (i	812 312 Fr 5
Italien Lina Yert Assan \$Sing Short term rate III THIPMINE M	9 <sup>1</sup> 1 3 <sup>3</sup> 2 6 ma call 1011771 P	or the	31g - US Doi FUTU Price	9 93 31 31 br and Ye	. 8]2 . 12 . 34 n. rehem TIF) Pare	two chas, in 15 - 2 pl 15 - 2 pl 15 - 17 - 18	3)) store offered a Est.	ii 3.1 rate (i	Birth Sir
Italiem Link Yen Assan \$Sing Short term mes in Thimsilli as Sep Dec	Open 95,07	- Sit - Sit to the 1BOR Sett	31g - US Col FUTU Price 05	34 31 br and va THES (MA Change 40.84	. 812 . 32 r. 33 n. rehers TIF) Pare H-gh 96 10	threatpank  From criss, in  Si5 - 9 il  Si5 - 6 il  Si5 - 6 il	Signature of the second	ii 3.1 vof 508 226	Billian St. S. Cont.
italien Lira Yen Assan \$Sing	91 <sub>8</sub> 33 <sub>9</sub> a are call CONTH 9 Open 96.07 95.90	- 914 - 314 for the 180R Sett   95.	31g - US Col FUTU Price 05	3 <sup>1</sup> 4 3 <sup>1</sup> 3 <sup>1</sup> 4 3 <sup>1</sup> For and Ye FEE (MA Change 40.04 +0.05	- 8 2 - 34 n. rethers TIF) Pare High 96 10 95 94	15 - 13 15 - 13 16 - 13 16 - 13 17 - 18	Signature of the second	ii 3.1 vof 508 226	Birth Signature of the
Italiem Urn Yen Assen \$Sing Short term rate in Theresis as Sep Dec	9 <sup>1</sup> g 3 <sup>3</sup> g s am call IONTH 9 Open 96.07 95.80 95.68	- 512 - 14 - 314 for the 180R Sett 1 95. 95.	91 <sub>8</sub> 33 - 125 0ol France 06 91	9 93 14 31 314 31 her and Ye 140 (MA Change 40.04 +0.05 +0.09	- 8 2 - 3 <sup>3</sup>   n. others TIF) Parel High 96 10 95 94 95.73	86 - 66 12 - 11 312 - 31 <sub>8</sub> 100 days' 11 1 interbent Low 96 05 25 85	() 3)1 select coffered a Est. 3(s, 6) 14,6	rate (1 cof 508 226 162	613 714 313 Ope 47 47
Italien Urn Yan Assan \$Sing Short term rate in Tambili in Sep Dec Mar	9 <sup>1</sup> g 3 <sup>3</sup> g s am call IONTH 9 Open 96.07 95.80 95.68	- 512 - 14 - 314 for the 180R Sett 1 95. 95.	91 <sub>8</sub> 33 <sub>6</sub> - US Ook FUTUU PINCO OO 91 71	9 93 14 31 314 31 her and Ye 140 (MA Change 40.04 +0.05 +0.09	- 8 2 - 3 <sup>3</sup>   n. others TIF) Parel High 96 10 95 94 95.73	86 - 66 12 - 11 312 - 31 <sub>8</sub> 100 days' 11 1 interbent Low 96 05 25 85	6) 14,5 5 6,8 conts of 1	rate (i vol 538 226 62	613 3(1) 6Ft 5 Opti
Italien Lira Yen Aaron SSing Stort term rate in Taliffalia in Sep Dec Mur	9 <sup>1</sup> a 3 <sup>3</sup> a a me cal HONTH P Open 96.07 95.90 95.68	- 51/4 - 31/4 for the 1800R Sett : 95. 95.	91 <sub>2</sub> 33 <sub>6</sub> - US Doi FUTU PICE 91 71	9 93 314 31 ber and Ye THE (MA Change 40.05 +0.06 +0.09	- 8 2 - 3 <sup>3</sup>   n. others TIF) Pare High 96 10 96 94 95.73	Big - Big id - ij juo dava' i interberk Low 96 05 25.86 95.65	this state of the	rate (i cof 508 226 602	Ope Ope
Italien Link Yen Annan SSing Stort term mee IN THERESE IN Sep Dec Mur	9 <sup>1</sup> 8 3 <sup>1</sup> 8 8 am call IONTH 9 0pen 95.07 95.90 95.68 IONTH III	- 51. - 31. tor the 180R Sett : 95. 95. 95. 95. 96.:	91 <sub>s</sub> 33 c - 33 c - US Col FUSTAL PINCE COS 91 71 MARKEC PRICE S7 54	9 93 314 31 ber and Ye THE (MA Change 40.05 +0.06 +0.09	4 - 812 1 - 12 2 - 34 High 96 10 95 73 95.73 9 0.0FFE High 96 89 96 57	Big - Big id - ij juo davs' - i Interberk Low 96 05 95.65 PDM1tn p	Control of 1  Est.  Control of 1  Est.  Control of 1  Est.  Control of 1	rate (1 cof 508 226 602	68 71 30 30 67 67 67 67 67 67 67 67 67 67 67 67 67
Italien Urn Yen Assan \$Sing Assan \$Sing Assan term rate III THIRIBE M Sep Dec Mor	919 339 10 mm call (ONTH) 95.90 95.90 95.90 10 NTH II Open 96.95 96.56 96.27	- 51, - 31, for the 180R Sett   96, 95, 95, 96, 96, 96, 96, 96, 96, 96, 96, 96, 96	91s 33 - 33 - US Dol FUTUI PICE 06 91 71 MARRIC PICE 67 54 26	934 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 314 31 31 31 31 31 31 31 31 31 31 31 31 31	4 - 812 1 - 12 2 - 31 High 96 94 95.73 8 (LIFFE) High 96 99 96 97 96 97 96 98	812 - 613 12 - 13 312 - 314 two class' i interbenk Low 96 05 25.86 95.63 CM1m p	0   1   1   1   1   1   1   1   1   1	rate (f 508 226 602 100% VGI 357 357	813 124 313 Ope 47 28 0pe 19 21 18
Italien Lifa Yen Assen \$Sing Stort term rate BLTHINGE M Sep Dec Mur THINGE M Sep Dec Mur Sep Dec Mur	91g 31g s are call control p 05.90 95.68 control ii Open 96.89 96.56	- 51. - 31. tor the 180R Sett : 95. 95. 95. 95. 96.:	91s 33 - 33 - US Dol FUTUI PICE 06 91 71 MARRIC PICE 67 54 26	9 93 314 3 314 3 10 and to the total of the	4 - 812 1 - 12 2 - 34 High 96 10 95 73 95.73 9 0.0FFE High 96 89 96 57	812 - 613 312 - 314 1000 ct.rvs* 11 1 interbental Low 96 05 95 65 95 65 1 DM1m p	0 11   Est.   Scott   Est.   Scott   Est.   Scott   Est.	rate (f 508 226 602 100% VGI 357 357	813 124 313 Ope 47 28 0pe 19 21 18
Italien Lira Assen \$Sing Short term rate in Translation Sep Dec Mur Translation Sep Dec	91g 33g as are call (ONTH) 9 Open 95.90 95.68 (ONTH) 10 Open 96.56 96.56 96.56 96.57 95.92	- 935 - 35 to the 1800R Sett   95. 95. 95. 95. 96.3 96.3 96.3	91s 33 - 33 - US Dail FUTUI PICE 06 91 71 MARRIC PICE 67 54 26 90	934 31 31 31 31 31 31 31 31 31 31 31 31 31	- All - 34 - 34	815 - 615 12 - 13 13 - 3 1 <sub>8</sub> 100 clares 1 1 interbenh Low 96 25 65 95.65 CM1m p Low 96.84 96.50 98.20 98.20 98.20	0 311 sides offered a 5 14,5 3 14,5 6 6,8 sents of 1 Est. 326 403 436 275	100% 100% 100% 100%	613 714 311 FFv 5 Ope 47 47 28 21:
TORIGINE LIFE YET ARRENT \$Sing Short term rate BY THERESE M SEP DEC MINITERMONE M SEP DEC MINITERMONE M MINITERMONE M MINITERMONE MINITERM	91g 33g as are call (ONTH) 9 Open 95.90 95.68 (ONTH) 10 Open 96.56 96.56 96.56 96.57 95.92	- 935 - 35 to the 1800R Sett   95. 95. 95. 95. 96.3 96.3 96.3	91s 33g - US Doi FUTU Price 06 91 71 MARK Price 87 54 26 90	934 31 31 31 31 31 31 31 31 31 31 31 31 31	- All - 34 - 34	815 - 615 12 - 13 13 - 3 1 <sub>8</sub> 100 clares 1 1 interbenh Low 96 25 65 95.65 CM1m p Low 96.84 96.50 98.20 98.20 98.20	6	13 m rate (1 cot ) 508 226 662 1000% 1557 557 550 5005 1000%	88 12 312 Fr 5 Ope 47 28 21 28 12
TOUGHT LIFE THE	919 319 10 mm can HONTH II Open 95.68 HONTH II Open 96.89 96.56 98.27 95.80 HONTH II Open 96.80 96.56	- 93, 10 to the 1800R Sett   98, 95, 95, 96, 98, 98, 98, 98, 98, 98, 98, 98, 98, 98	91 <sub>a</sub>	93 14 31 31 31 31 31 31 31 31 31 31 31 31 31	4 All 1 - 3 All	815 - 615 12 - 13 13 - 13 10 - 13 1	6	13 m rate (1 cot ) 508 226 662 1000% 1557 557 550 5005 1000%	813 714 313 6Fr 5 Ope 47 28 19 21 19 21 19
Italien Lira Yen Assen \$Sing Stort term rate in THINGES IN Sep Dec Mar Historian III Mar Jun III THINGES IN Mar Jun III THINGES IN	918 319 8 am call bourne 9 00en 95.80 95.80 95.80 96.89 96.89 96.56 98.27 95.80 10en #	- 91.6 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	91s 31s - US 0al FUTU Price 06 91 71 71 MARRA Price 54 54 54 59 90 LIRA F	934 31 31 31 31 31 31 31 31 31 31 31 31 31	4 - 612 1 - 3 - 3 - 1 1 - 1 - 1	96 05 95 61 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	63 333 sectors of 1 Est. 325 435 435 50ints of 1 Est. 1 Es	ii vate 6 vat 508 2238 662 1000% 1000% 1000%	813 114 313 Oper 47 28 19 19 19 19 19 19 19
Italien Lira Yann \$Sing Short term rate IN THERESE IN Sep Dec Must Sep Dec Matr Sep Dec Matr	9 <sup>1</sup> e 1 <sup>2</sup> e	- 5½ - 14 - 14 - 14 - 15 - 16 - 18 - 18 - 18 - 18 - 18 - 18 - 18 - 18	91s 33s US 0al FUTU 91cs 06 91 71 MARSK Price 60 90 14	934 31 31 31 31 31 31 31 31 31 31 31 31 31	4 - 812 - 1 - 3 - 1 - 1 - 3 - 1 - 1	815 - 813 12 - 13 13 - 13 13 - 13 13 - 13 14 - 13 15 - 13 15 - 13 16 - 13 17 - 13 18 - 13 1	6 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	14 col 60	813 114 313 6Fr 5 Ope 47 28 12 12 Cpc
TORSEN LIFE TYPE SEP DEC MUST MINISTER	91-8 16 31-9 16 16 16 16 16 16 16 16 16 16 16 16 16	- 9\bar - 9\bar - 10\bar - 10\	91s 33	934 31 31 31 31 31 31 31 31 31 31 31 31 31		81: - 813 12: - 13: - 1	1313 Est. 5 14,2 6 6,8 14,2 6 6,8 14,2 6 6,8 14,2 15 6,8 16,2 17,0 17,0 17,0 17,0 18,0	14 col (100%) 100% 100% 100% 100% 100% 100% 100%	81 12 3/1 5Fr 5 Oper 18 21: 18 12 Sec 22 12 12 12 12 12 12 12 12 12 12 12 12
TOMERS LIFE THERETE IN SOP DOC MINT THERETE IN SOP DOC MINT THERETE IN SOP DOC MINT SOP MINT SOP DOC MINT SOP DOC MINT SOP MINT SOP DOC MINT SOP M	91-8 16 31-9 16 16 16 16 16 16 16 16 16 16 16 16 16	- 9\bar - 9\bar - 10\bar - 10\	91s 33	934 31 31 31 31 31 31 31 31 31 31 31 31 31		81: - 813 12: - 13: - 1	1313 Est. 5 14,2 6 6,8 14,2 6 6,8 14,2 6 6,8 14,2 15 6,8 16,2 17,0 17,0 17,0 17,0 18,0	14 col (100%) 100% 100% 100% 100% 100% 100% 100%	81 12 3/1 5Fr 5 Oper 18 21: 18 12 Sec 22 12 12 12 12 12 12 12 12 12 12 12 12
TORSEN LIFE TYPE SEP DEC MUST MINISTER	91-8 16 31-9 16 16 16 16 16 16 16 16 16 16 16 16 16	- 9\bar - 9\bar - 10\bar - 10\	GIS SALES CONTROLL OF THE CONTROL OF	934 31 31 31 31 31 31 31 31 31 31 31 31 31		81: - 813 12: - 13: - 1	1313 Est. 5 14,2 6 6,8 14,2 6 6,8 14,2 6 6,8 14,2 15 6,8 16,2 17,0 17,0 17,0 17,0 18,0	14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	813 174 313 577 577 477 28 00 19 213 12 213 214 215 215 215 216 216 216 216 216 216 216 216 216 216
TAMENT OF THE STATE OF THE STAT	91-8 16 31-9 16 16 16 16 16 16 16 16 16 16 16 16 16	- 9\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	91s 3s Dolor PUTU US Dolor PUTU US Dolor PUTU US Dolor PUTU US Dolor PUTU BARRIST P	934 31 31 31 31 31 31 31 31 31 31 31 31 31	- 812 - 12 - 34 - 34 - 16 - 16	51 - 513 12 - 313 13 - 313 14 - 13 15 - 13 16 - 13 17 - 13 18 - 13	10   10   10   10   10   10   10   10	14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	8
THE SEPTIMENT IN THE SE	91-8 18-3 31-9 31-9 31-9 31-9 31-9 31-9 31-9 31	- 9\b is 18 - 9\b is 19\b	91s 2s Col PUTU US COL PUTU STATE	934 31 31 31 31 31 31 31 31 31 31 31 31 31	4. 812 1. 2 - 3 - 3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	815 - 813 14 - 13 13 - 3 1 <sub>8</sub> 10 - 3 1 <sub>8</sub>	10   10   10   10   10   10   10   10	14 (100%) 100% 100% 100% 100% 100% 100% 100%	813 174 313 FF 55 Ope 47 47 47 47 47 47 47 47 47 47 47 47 47
Italien Lira Yener \$Sing Short term rate BY THEREE BY SEP DEC MUST BY THEREE BY SEP JUN BY THEREE BY SEP JUN BY THEREES BY SEP DEC	91-8 16 33-9 35-9 35-9 35-9 35-9 35-9 35-9 35-9	- 91, 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	91s 3s - US Dolo FUTUU Price 1971 MARRIX F 1	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# 612 # 12 # 13 # 15 # 15	81 - 813 12 - 13   312 - 318   312 - 318   312 - 318   312 - 318   312	10   10   10   10   10   10   10   10	14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	88 12
TAMENT OF THE STATE OF THE STAT	9 <sup>1</sup> g 16 319 319 319 319 319 319 319 319 319 319	- 9,5 - 34 for the 180 R 95, 95, 95, 95, 96, 96, 97, 97, 97, 97, 97, 97, 97, 97, 97, 97	91s A PUTUL US Oct PUTUS OCT	934 31 31 31 31 31 31 31 31 31 31 31 31 31	- 812 - 12 - 13 - 13 - 13 - 13 - 16 - 16	81 - 813 12 - 3 13 13 - 3 13 14 - 13 15 - 13 16 - 13 17 - 13 18 - 13	6 142 142 142 142 142 142 142 142 142 142	100% 100% 100% 100% 100% 100% 100% 100%	88 12
TORSES LIPA YES ASSESS LIPA ASSESS SESSO SESSO SESSO SESSO DEC MINI MINI SESSO DEC MAN MINI MINI MINI MINI MINI MINI MINI	914 319 319 319 319 319 36.07 95.90 95.68 60NTH II Open 96.26 96.27 96.92 60NTH II 21.11 82.13 81.53 81.53 97.37 97.48 87.00 96.74	- 9,5 - 34 - 16 - 18 - 18 - 18 - 18 - 18 - 18 - 18 - 18	91s 35 - US 000 100 100 100 100 100 100 100 100 10	934 31 31 31 31 31 31 31 31 31 31 31 31 31	4 - 812 - 1 - 2 - 3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	51 - 613 14 - 13 12 - 3 18 15 - 13 15 - 3 18 16 - 13 1	10   10   10   10   10   10   10   10	14 14 15 15 15 15 15 15 15 15 15 15 15 15 15	88 12
TABLES LIFE YET AREAS STOP STOP THE THE STOP DEC MARY JUN THE THE STOP THE	91-8 18-8 18-9 18-9 18-9 18-9 18-9 18-9	- 91 91 94 95 95 95 95 96 95 97 97 97 96 96.	91s 35 - US Doi 10 S	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1	81 - 813 12 - 3 13 13 - 3 13 14 - 13 15 - 13 15 - 13 16 - 13 17 - 13 18 - 13	10   10   10   10   10   10   10   10	14 cof 508 226 602 100% voi 557 7557 1557 1557 1557 1557 1557 1557	883 134 157 5 Open 189 218 159
THERETE IN THERETE IN THERETE IN THERETE IN IT THERETE IN	91-8 18 21 21 21 21 21 21 21 21 21 21 21 21 21	- 91 91 94 95 95 95 95 95 95 95 95 97 98.	91s 31s - US DOS PUTTU US PU	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -	81 - 813 12 - 13 13 - 13 13 - 13 13 - 13 14 - 13 15 - 13 16 - 13 17 - 13 18	10   10   10   10   10   10   10   10	14 vot	883 734 375 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
THEREEK IN	91-8 18 23-9 25-8 18 27-9 25-8 27-9 25-8 27-9 25-8 27-9 25-8 27-9 25-8 27-9 27-18 27	- 91 91. Sett : 96. 95. Sett : 96. 95. Sett : 97. 97. 97. 97. 97. 97. 97. 97. 97. 97.	91s Signal From Price 14 Signal From Price 15 Signa	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# 812 # 2 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -	## 15 ## 15	Section   Sect	14 vot 15	8)3 7)4 73 78 78 78 78 78 78 78 78 78 78 78 78 78
THE THE TEN THE TEN THE TEN THE THE TEN THE THE TEN THE THE THE TEN THE	91-8 18-8 18-9 18-9 18-9 18-9 18-9 18-9	- 91, - 91,	91s 35 15 15 15 15 15 15 15 15 15 15 15 15 15	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1	81 - 813 12 - 3 1 <sub>8</sub> 13 - 3 1 <sub>8</sub> 13 - 3 1 <sub>8</sub> 14 - 15 15 - 15 16 - 15 17 - 15 17 - 15 18 - 15	10   10   10   10   10   10   10   10	14 val 60	883 73
INTERPORTER IN SEP DEC MINITARYMENE IN THERESE IN THERESE IN THERESE IN SEP DEC MAIN JULY THERESE THERESE THERESE THERE TH	914 319 319 319 319 319 319 310 310 310 310 310 310 310 310 310 310	- 91 91 94 95 96 97 97 97 96 98.	91s 31g - 1 U.S. Doi: 10 U.S. D	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1	96 68 98 98 98 98 98 98 98 98 98 98 98 98 98	Section   Sect	14 vot 15	883 73
THEREEN IN THEREEN IN THEREEN IN THEREEN IN THEREEN IN IT IN IN IT	914 319 319 319 319 319 319 310 310 310 310 310 310 310 310 310 310	- 91 91 94 95 96 97 97 97 96 98.	91s 31s - 1 U.S. Doi: 10 U.S. D	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1	96 68 98 98 98 98 98 98 98 98 98 98 98 98 98	Section   Sect	14 val 60	813 1 12 20 21 21 21 21 21 21 21 21 21 21 21 21 21
tolien Lira  femin Scho  femin Scho  femin Scho  femin Scho  femin THEFEE  IN THEFE  IN THEFEE  IN THEFE	914 319 319 319 319 319 319 310 310 310 310 310 310 310 310 310 310	- 91 91 94 95 95 95 95 95 95 95 95 96 97 97 97 96 98.	91s 31s - 105 000 000 000 000 000 000 000 000 000	934 31 31 31 31 31 31 31 31 31 31 31 31 31	# All 1	96 68 98 98 98 98 98 98 98 98 98 98 98 98 98	Section   Sect	14 val 60	813 17-2 17-2 17-2 17-2 17-2 17-2 17-2 17-2

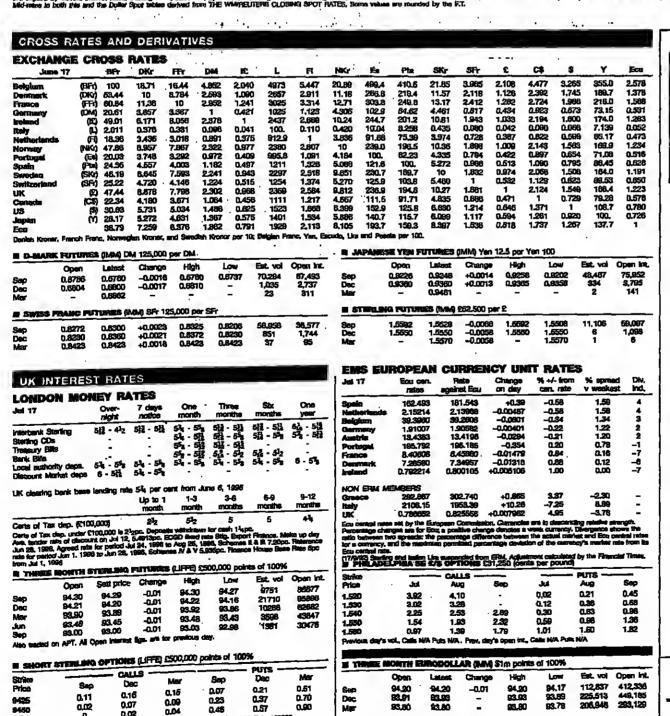
WORLD INTEREST RATES

Three miles

MONEY RATES

Belgium week ago Frence week ago

week ago trekend week ago



Strike Price

9650 9675

9750 9775

# US YREASURY BILL FUTURES (NAV) \$1m per 100%

0.21 0.05 0.01

0.16 0.05 0.01

CALLS

pi EUROLINA OPTIONS (LFFE) L1000m points of 100%

CALLS -Dec

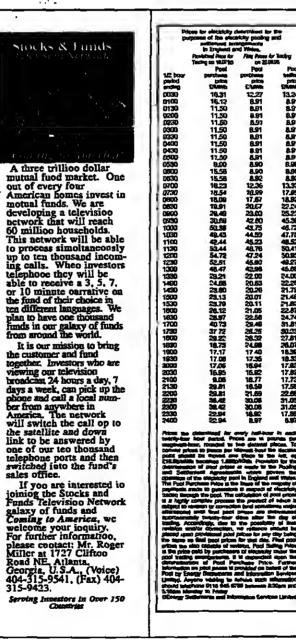
0.18 0.08 0.03

Talis 19791 Puts 7225. Previous day's open int., Cells 257105 | 1985 FRANC OPTIONS (LIFFE) SP: 1m points of 100%

0.86

Aug 0.02 0.12 0.33

0.18





NOTICE TO BONDHOLDERS Nan Ya Plastics Corporation ("Nan Ya") (Incorporated in Taiwan, Republic of China) US\$350,000,000 1 3/4 per cent. Bonds Due 2001. Formosa Chemicals & Fibre Corporation (Incorporated in Taiwan, Republic of China) US\$250,000,000 1 3/4 per cent. Bonds Due 2001 ("FCFC", collectively, the "Companies") This is to inform you that Bondholders may exercise their Conversion Rights commencing from 1 August 1996. The Conversion Price will be, effective from 1 August 1996, NT\$49 for Nan Ya Bond and NT\$35 for FCFC Bond upon an adjustment due to a distribution of stock dividends in 1996. due to a distribution of stock dividends in 1556.

Following a further amendment to the Regulations Governing Securities investment by Ownsess Chinese and Foreign Nationals and Procedures for Remittance, a foreign investor holding overseas convertible bonds and intending to effect conversion shall appoint a local agent to handle, for and on behall of the loceign investor, conversion of the bonds into common shares (or Entiltement Certificates) of issuing companies, opening of a securities trading account with a local brokerage firm keeping in cust ody of securities, paying ROC taxes, making confirmation and settlement, remitting funds, exercising shareholders' rights and performing such other matters as may be designated by such converting bondholder.

settlement of securities transactions.

Within 6w days from the Conversion Date, Nan Ya or FCFC (as applicable) will issue and deliver Entitlement Certificates to the local agent of the Bondholder. The English translation of the terms of Entitlement Certificates is available at the office of each Conversion Agent. Each of the Companies will issue new shares in exchange for the Entitlement Certificates oo once a year. Each of the Companies has insed the close of business on the record date for determining the shareholders entitled to receive stock dividends of the relevant year, or if no stock dividends is to be distributed or any given year, the interest Payment Date, as a consolidation date ("Consolidation Date"). Each of the Companies will notify the Bondholders of the Consolidation Date in the course. After the Consolidation Date, each of the Companies will proceed with necessary filing and registration for capital increase in order to Issue new shares in exchange for the Entitlement Certificates Issued and outstanding on or before such Consolidation Date (including those for which Entitlement I'erticates have not yet been issued, but have been registered in Nan Ya's or PCFU's shareholders register, as applicable).

Bondholders should also consult the terms and conditions response.

NAN YA PLASTICS CORPORATION PORMOSA CHEMICALS & FIBRE CORPORATION

### **LEGAL NOTICES**

is the High Court of Junier No.003030 of 1996 Chancery Division Compenies Court IN THE MATTER OF HANSON OVERSEAS HOLDINGS LIMITED

7,**99**1 1,515 191

Qct

0.12 0.26 0.47

Dec 0.35 0.55

PUTS

Dec 0,16

0.04 0.14 0.34

IN THE MATTER OF THE COMPANIES ACT 1985
NOTICE IS REPERLY GRYEN that the Order of
the High Court of Justice, Chancey Division,
Companies Court, dated Wednesday 10th July
1996, confirming the cancellation of the share
premium account of the show-ensited Company
as at 23rd May 1996 approved by the Court,
showing the several particulars required by the
above-named Act was registered by the
above-named Act was registered by the
Register of Companion on 15th July 1996 and
4 Oscification of Registration by the Register of
Companion was launed on 15th July 1996.
Means Gouldon
7 22 Tudor Street
LENDON ECHY OLI THE COMPANIES ACT 1465

LONDON BOAY OU

In the High Court of Justice No. 001762 of 1996 Characty Division Company: Court IN THE MATTER OF REALISATION COMPANY FLC

IN THE MATTER OF

REAL SATION COMPANY PLC

AND

IN THE MATTER OF

THE COMPANIES ACT 1985

NOTICE IS REFERY GIVEN that a Peption
was on 4th July 1996 presented to Her
Mayesty's High Court of Justice for the
confirmation of the reducation of the Company
from 17,900,000 to 500,000, to
AND NOTICE IS FURCHER GIVEN that the
mad Petinon is discussed to be heard before the
Registers of the Companies Court at the Reyal
Courts of Justice, Spread, London, WCZA "LL
on Hat July 1996.
ANY creditor of shareholder of the said
Company desiring to appose the making of an
Order for the enthimistion of the said traction
of Capital should appear at the time of hearing
person or by Coursel for this purpose.
A copy of the and Petition will be furnished to
any such person requiring the same by the
moder transformed subscitters on payment of the
regulated charge for the same.
London ECAY OIL
Schlicters for the above,
London ECAY OIL
Schlicters for the above caused Company
(Tel: 1171 383 7777).
Ref. AOB/333W66C73

### The Financial Times plans to publish a Survey on Business **Property**

Tel: +44 (0) 171 873 3252

on Friday, September 13. This survey will provide aborp. insightful comment on the vausi industry sectors of retail, office. lodustrisi, warehousing sod distribution. To advertise and take property decision making audience as the survey's long shelf life, please contact: Courtopy Anderson on

GBP 10,000,000 YORKSHIRE BUILDING SOCIETY Floating Rate Subordinated Notes due 1999

Interest Rate Interest Penod July 15, 1996 October 15, 1998 Interest Amount due on October 15, 1996 per GBP 1,649.59 GBP 100,000

BANQUE GÉNÉRALE DU LUXEMBOURG Agent Bank

By Neil Buckley in Brussels

Mr Franz Fischler, European Union agriculture commissioner, yesterday outlined plans to "rebalance" the beef market in the wake of the "mad cow" crisis, including eubsidies on calves sent for slaughter and a new European Commission purchase programme for younger cattle He warned, bowever, that

the plans - likely to cost billions of Ecus - would have to be paid for out of the existing agricultural bodget. That could mean a sharp cut in subsidies paid to arable farmers, which EU ministers have criticised as

Mr Fischler discussed the plans with other commissioners in Strasbourg yesterday and will present them to agri-culture ministers in Brussels next week. He hopes to publish formal proposals by the end of the month so that action can be taken quickly after the com-

needed to help cushion producers against the worst effects of the BSE crisis and avoid a massive build-up of beef stocks in public storage which would overhang and depress beef prices for the indefinite future," Mr Fischler said.

He warned that beef consumption had fallen 11 per cent eince the "mad cow" crisis began, and prices had fallen 15 per cent, putting great pres-sure on beef producers. Mr Fischler's "supply" side

measures include introducing an intervention programme involving purchases by the commission to support the market - for young cattle of eight to nine months, reducing rights to beef subsidies on older cattle, and obliging all EU states to introduce a calf slaughter subsidy which has been voluntary since 1992. He said the Commission had

already intervened in the market to buy 180,000 tonnes of must be imposed before the

"Urgent and radical action is to have bought 600,000 tonnes by the end of the year. With each 100,000 tonnes costing Ecu210m-230m, that would put the total cost of the intervention programme alone at up to Ecul.38bn (\$1.7bn).

As new Gatt rules prevent the EU from selling surplus beef stocks cheaply into the world market, Mr Fischler warned that "over-production today would have to be off-set by under-production in the future".

On the "demand" side, be proposed rebuilding consumer confidence in beef through commission-sponsored promotion campaigns and a labelling programme to reassure consumers of the safety of beef. Meanwhile, the commission's special "multi-disciplinary" committee set up to monitor the phased lifting of the ban on UK beef exports postponed until next month a decision on

whether tighter conditions

gelatine derived from UK beef. Agreement to lift the gelatine ban was reached last month, subject to certain conditions. Bot recent research into the safety of gelatine manufacturing suggested the conditions might not be strict

• The European Parliament will today give the go-ahead for a special inquiry into charges that the European Commission covered up the risks of "mad cow disease" as far back es 1990, writes Lionel Barber in Strasbourg.

The inquiry will examine allegations that an internal memorandum at the time called for disinformation to counter press interest in bovine spongiform encephalo-pathy. The Commission has and vigorously denies all charges of a cover-up.

Mr Franz Fischler, EU agriculture commissioner since January 1995, said he would co-operate with the parliamen-



Franz Fischler speaks at this mouth's Royal Show

tary investigation. He intended rent measures to ensure gradito publicise the Commission's cation of the disease and help

### Rain washes out grain price surge

By Laurie Morse in Chicago

Chicago grain futures traders, who have been playing a sort of weather roulette over the past two weeks, were reeling Wednesday from the effects of heavy rains in the central Mid-

These alleviated a prolonged dry spell in critical maize and soyabean regions, and ended speculation that a drought could damage the crops.

Maize and soyabean plants are nearing sensitive pollination stages and analysts say the rains arrived soon enough to boost yields. Stocks of both feedgrains are at critically low levels in the US, and livestock merchants and other food processors are counting on bumper harvests to renew depleted

Last week, weather forecasts for dryer-than-normal weather helped pump grain prices sharply higher.

However, revised forecasts for rain prompted a beavy wave of selling in maize and soyabean futures at the Chicago Board of Trade on Tuesday and the sell-off continued yesterday as the precipitation reached major growing regions.

At midsession yesterday CBoT maize futures for December delivery were down 1214 cents at \$3.54% a bushel, while contracts for spot delivery were 18 cents lower, the maximum single-day loes allowed by the exchange. Soyabean contracts experienced even larger losses, with the November delivery position off 20% cents at \$8 a bushel.

### beef since April, and expected ban can be lifted on exports of Continental farmers share Britain's 'mad cow'

in the gloom of the BSE crisis, believe the continental beef industry is gloating over their problems and eager to seize their mar-kets.

But, insists a French government official, "that could not be further from the truth".

"It is a disaster for the French beef industry and there are fears that many extensive beef farmers could go bankrupt."

The crisis has hit the whole of Europe and the worst repercussions may yet be to come.

France is contemplating the slaughter of 250,000 beef cattle in the autumn unless consumer confidence

In Ireland, officials say more than 250,000 animals will have to be sold into intervention etocks later this year if vital markets do not reopen. Mr Ivan Yates, Irish agriculture minister, has been visiting Libya this week to try to persuade the country to resume imports of 100,000 live cattle a year worth I£100m which in Libya are still closed, although stopped after the crisis broke in Russia and Egypt are taking Irish

In Germany, consumption of beef is still 25-30 per cent below its pre-crisis levels and officials describe the situation facing the industry as "catastrophic". The government is considering measures to cut production by 10 per cent.

It is against this dire background that Mr Franz Fischler, EU farm commissioner, yesterday set out his ideas for cutting production and bringing demand and supply back into balance. Ireland, which holds the EU presidency, will press for swift action at

next week's farm council. We're waiting in trepidation for the autumn season," says Mr Dermot Murpby of the Irish agriculture ministry. This is when grass-fed beef cattle traditionally come to market in freland and France.

Prices of store cattle, ready for fattening, have dropped by nearly 20 per cent in Ireland, he said. Key markets for meat in Iran and for live animals

The EU beef mountain is rapidly being rebuilt. Germany has put over 60,000 tonnes of beef into EU intervention stocks since the crisis began, France 51,000 tonnes and the UK 20,000 tonnes. So far Ireland has only 14,000 tonnes in intervention but that will change dramatically in the autumn. During the last BSE-induced elump in demand in the early 1990s it was putting 250,000 tonnes in each

"We have a huge problem of oversupply in the market," said Mr Murphy. "That can only mean a substan-tial drop in price, and that'e taken place already. Something has to be done before the autumn."

The EU produces 7.5m tonnes of beef a year. But demand across the union is estimated to be about 15 per cent below pre-crisis levels. It it stays at that level, as many fear, that would leave an overhang of 1.1m tonnes, or more than 3m cattle.

Holding animals back from slaughter may not be an option because so many have been building up on farms and eating grass since the spring that hay and silage stocks for winter feed are likely to be low.

In the short-term, using intervention stores to clear unwanted mature beef animals from the market is the only solution, says Mr Murphy. "But it's a question of what kind of inter-

Ireland is unhappy with the suggestion that intervention weights should be much lower, though Germany supports it. Irish animals come to market at heavier weights and could thus be excluded from intervention, leaving farmers with no outlets.

In Prance, officials say, prices for cattle are still falling steeply, nearly four months after the crisis broke. In the last week alone prices have fallen 46 per cent. France produces many beef animals for export to Italy and Spain for fattening. The main export season starts in August and continues through the autumn. But demand

from these countries has dried up as heef sales have fallen there too.

"We don't want to kill these [excess] animals," says Mr Daniel Per-rin, director of the Meat Office, which controls intervention stocks. "We are looking at alternatives, but we don't have many solutions."

One problem cited in France and Germany is that retail prices for beef have remained stable despite the buge drop in demand - still down about 20 per cent in France.

In Britain supermarkets sold beef at a heavy discount in the wake of the crisis, helping to trigger a significant recovery in demand.

In Germany, however, individual butchers dominate beef sales and it eppears unlikely that they would decide en masse to cut prices. In France, officials say, the drop in consumer demand for offal has forced slaughterhouses to charge more for prime cuts in order to cover their

Alison Maitland

### MIM plans A\$500m copper development

By Nikki Tait in Sydney

MIM Holdings, the Australian metals group, is to epend A\$290m (US\$230) developing a new copper mine at its Mount isa base in Queensland, and a further A\$310m on expanding the copper smelter there.

The A\$500m investment will be spread over three years. with full production from the new mine - to be called the Enterprise Mine - set for end of 1999. It is the second major copper expansion announced by an Australian company this week, with WMC giving the green light to e A\$1.25bn expansion of its Olympic Dam

copper-uranium project in South Australia on Monday. Like WMC, MIM indicated that the investment was being made because of the company's faith in the long-term "fundamentals" for the metal - and despite the recent turmoil in the copper price in the wake of the Sumitomo affair.

the "3500" orebody at Mount Isa, in conjunction with the "3000" orebody which has been mined as the "Deep Copper Mine" since 1993. Initial annual ore production will be 3.5m tonnes, compared with the 1.5m tonnes now coming from the 3000 orebody.

MIM added that its existing principal source of copper ore at Mount Isa - the 1100 orebody - would also remain in production until the middle of the next decade, but with the new mina steadily taking over as the main production area.

The smelter expansion. meanwhile, will lift capacity from 175,000 tonnes a year to 250,000 tonnes. This increase is also designed to handle the production from the nearby Ernest Henry copper-gold mine which due to come into prodoction late next year, as well as the expanded Mount Isa ontput MIM has a 51 per cent, interest in the Ernest Henry project, and is managing the

### COMMODITIES PRICES

pla

th di

ıù,

ca

-fr: br

, in

Gı

- .tb

-m₁ : ot

se th

. ra

with co be Bc ac wi

CC

uı

ye U1

cc Ir

ra

. dı

Silver Fix Spot

**Gold Coins** Krugerrand Maple Leet

BASE METALS **LONDON METAL EXCHANGE** Prices from Amalgemated Metal Trading) M ALUMENIUM, 96.7 PURITY & per tonne)

1436-7 1433-4 1434 1433-4 1470-1 High/low AM Official Kerb close Open Int. 1479/1468 1469-9.5 1479-80 M ALUMINIUM ALLOY (5 per toren) Close Previous High/low AM Official Kerb Blose Const. att 1222-6 1220-30 1218-23 4,762 673 Open mi. Total daily turnover ■ LEAD (3 per fonde Close Previous High/low AM Official 766.5-7.5 767.5-8.5 781/772 778-8.5 Kerb close Open int. Total daily turnover 30,205 5,969 MICKEL (\$ per torme) Close Previous High/low AM Official 7075-85 7140-50 7087/7083 7087-8 7190-200 7250-90 7260/7190

Kerb close Open int. Total daily turnover 41,547 13,147 TIM (\$ per torme) 6190-200 6195-205 6195 6195-200 6240-45 6250-55 6260/6235 6235-40 6240-45 Kerb dose 16,089 Open int. Total daily turnover E ZINC, special high grade (S per tonne) 1015.5-6.0 1008-9 Clase Previous High/low AM Official 987.5-B.5 980-1 985.5/984 985-5.5 1016/1009 1012,5-3.0 1016-7 67.453

Kerb close Open int. Total daily turnover 12 930 M COPPER, grade A (S per tonne) 1952.5-7.5 1870-75 199,102 57,643 III LIME AM Official E/\$ rate: 1.5525 LME Closing E/S rate: 1.5487 Spot: 1,5441 3 mites: 1,5438 6 mites: 1,5449 9 mites: 1,5460

88.60 +0.55 89.20 87.90 946 2,927 88.85 +0.55 89.00 88.25 191 2,278 88.45 +0.85 88.80 07.30 4,184 19.533 88.45 +0.85 88.80 07.30 88.05 +0.85 88.00 07.90 87.95 +0.86 88.00 88.00 PRECIOUS METALS

M HIGH GRADE COPPER (COMES)

I LONDON BULLION MARKET (Prices supplied by N M Rothschild \$ price 383.40-383.70 Opening fix 383.60-383.80 363.65 383.40 383.85-384.05 383.40-383.70 revious close 384.60-385.00 n Gold Lending Rates (Vs USS) 9 months ........... 3.95

\$ prce 382.5-385.5

Precious Metals continued M GOLD COMEX (100 Tray az.: \$Aray az.)

-0.1 384.8 383.8 50,956 72,700 1 - 387.4 386.4 1,148 7,835 5 - 380.1 388.9 6,741 43,743 1 - 382.2 381.8 241 9,378 5 - 28 5,705 58,730 187,858 M PLATENTIM NYMEX (50 Troy oz.; S/troy oz.) +1.0 394.5 394.5 11 150 +1.0 397.0 384.0 5,136 21,903 +1.0 592.5 398.0 231 2,583 +1.0 - 74 2,263 +1.0 - 180 231 2,583 74 2,263 - 180 5,451 27,958 PALLADIUM NYMEX (100 Troy az.: \$/troy az.) -0.30 135.00 134.00 -0.40 135.00 135.00 -0.40 - -34.00 1,702 6,617 35.00 470 1,256 - 50 82 - 107 AEX (5,000 Troy Oc. 141.6 497.0 492.5 29 128 11.7 11.7 500.5 495.0 34.546 84.736 14.5 509.0 500.5 25.66 24.265 1.8 11.4 517.0 514.0 36 6.520 11.4 521.0 521.0 20 5.420 37,871107,866 SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

ENERGY -0.51 22.42 27.5 38,671 63,978 -0.37 21,66 21.18 32,126 84,673 -0.37 20,56 20,54 13,571 47,224 -0.23 20,39 20,86 6,414 28,447 -0.33 19,96 19,60 7,619 32,778 19.60 7,619 32,778 19.35 2,681 24,554 111,781 365,687 3,056 1,745

Latent Day's
price change High
19.72 -0.31 20.00
19.23 -0.21 19.49
18.60 -0.22 10.07
18.44 -0.21 18.67 18.37 2.153 18.11 816 18.11 170 | Clay's | C GAS OIL IPE STORRE Day's chings High Low -0.75 17925 177.50 175.50 174.58 -1.25 178.25 174.50 2,381 -1.25 175.00 173.75 834 -1.50 174.50 172.00 -1.75 174.25 172.00 -1.75 172.25 171.00 Jac Total

WINLEADED GASOLINE NYMEX (42,000 US gails; c/US gails) p/troy oz. 321 45 325.65 329.75 338.95 499.50 505.95

512.40 526.25

GRAINS AND OIL SEEDS WHEAT LCE (E per torne)

118.35 +0.85 118.50 118.50 120.50 15 WHEAT CET (5,000bu mire curk -3 483.00 470.00 976 1,732 -225 488.25 473.00 13,751 31,115 -3.5 494.50 482.00 14,984 22,639 -8.5 480.00 484.50 1,032 5,404 -4 460.00 483.00 43 183 -5 420.00 414.00 64 2,082 481,00 490,00 489,00 459,00 418,00 20,002 75,000 M MAKE CET (5,000 bu mirc cents/580 bushel) 488.00 ~12.75 500.90 470.00 3,077 3,932 366.50 ~16 398.50 386.50 18,040 75,921 355.00 -12.25 368.00 350.50 51,598 178,983 360.75 -112.5 372.00 388.00 4,736 28,598 364.75 -102.5 368.00 382.50 1,236 6,576 364.25 -10 372.50 362.50 1,807 7,198

812.00 -11 813.00 802.00 1,038 1,001 804.50 -10 821.00 788.00 12.549 34,775 780.00 -17 807.00 782.00 3,572 12,005 778.00 -15.5 795.50 772.00 58,974 116,644 785.50 -14 800.00 778.00 1,637 8,398 789.50 -13.75 792.00 784.00 1,038 6,068 78,949 784,223 M SOYABEAN OIL COT (80,000be: cents/b)

25,285 9,130 15,116 11,863 5,137 85.0 110.0

9,409 334 1,920 702 8,554 236 2,351 11,109 55,938 M NATURAL GAS NYIEX (10,000 mmSh; ShrpBh.) FUTURES DATA 2.675 -0.065 2.774 2.620 5,806 29,363 2,930 -0.095 2.675 2.626 1,522 21,050 2.590 -0.095 2.675 2.676 2.570 431 12,664 2.605 -0.070 2.679 2.695 424 12,336 424 12,336 2675 -0.065 2.774 2.655 7,513 29,357

-118 85 60 63.45 12.832 24.472 -0.94 63.50 62.00 4.501 20,869 -0.54 69.50 69.45 1,735 6,157 -0.49 59.50 57.45 680 2.281 -0.70 57.15 56.45 538 1,867 -0.25 58 30 55.55 679 1,517

The second secon

111.15 +0.85 111.25 111.00 53 424 113.30 +0.85 113.50 113.00 53 3,029 115.35 +0.70 115.80 115.35 18 1,250

79,619 366,813

25.60 -0.37 25.70 25.45 558 1,903 25.64 -0.43 25.65 25.65 5,162 18,225 25.69 -0.4 25.05 25.77 1,600 14,730 25.07 -0.41 28.20 25.98 842 8,462 0.045 28,882 148 2,990 17,522 80,426 SOYABEAN MEAL CET (100 tons; \$/101) -3.2 2525 248.5 3.517 2.845 -3.7 253.0 246.0 10,325 22,854 -4 248.5 244.5 3,023 12,133 -44 245.0 240.0 500 6,545 -42 244.2 240.0 10,535 27,259 -3.5 244.0 241.0 170 3,070 20,505 76,806

All futures data supplied by CMS.

Note and Seeds
Prices from Kankto Group; USS a tonne. Iranian pistachics 28/30 raw (in shall) risturally
opened tround; 1995 crop 3,300 CFR/FOT
MEP, steedy; raw ternels at 5,200 FCA Hamburg/LIK US almonds (shelted; steedy - 28/25
NPSSR AOL 5,975, shipment first half September, 5,775 shipment and September/October
strandard 5% 5,353 etigment Sept/Oct - at
FAS Celifornia. US walnus LHP 20% - 1995
crop 5,500 FAS Celifornia; new crop 5,000
September/October shipment, indian casheves
raw; W-320, 5,950 apor Europe - down
slightly; from origin at 5,900 CFR india for
second half of 1998. Turksh hozelinut kernels,
13/15 standard 1s, 1995 crop, 2,850 FOB
MEP; FAQ at 2,700 FOB MEP. Brazil nuts,
medium, 1996 crop at 3,745 FCA Retierdern/
UK Chinese pine karnels, super grade, 10,000
CCP MEP.

M COCOA LCE (Externe 984 49 300 866 820 42,875 998 1,814 42,715 1017 1014 1,469 37,201 1025 258 20,463 1040 207 11,767 5,147 170,915 1332 1368 1398 1413 1430 1448 1366 3,727 1 1366 1,832 1 1419 108 - 88 15,645 15,725 6,868 5,978 5,190 13,430 M COCOA (CCO) (SDR'MOTH) 1042.85 -28 1555 -23 1565 -12 1465 -9 1446 -4 1405 -2 1360 1530 115 1500 7,244 1 1400 5,403 1410 827 1379 314 1372 65 1539 1550 1479 1441 1401 1332 13,827 28,357 IN COFFEE 'C' CSCE [37,500los; certs/los)

116.85 +52.5 117.00 112.75 102 119 106.90 +3.95 107.40 103.50 8,976 16,973 101.65 +3.60 102.20 96.50 3.3-6 8,976 98.80 +3.85 99.00 96.70 1,990 2.861 98.20 +3.05 99.50 97.70 1,990 2.861 98.73 +3.75 98.50 97.00 105 214 COFFEE (CO) AUS cents/pound) 105.71 WHITE SUBAR LCE (Shorne)

\$48.6 -26 351.0 347.1 1243 10,670 342.5 -2.9 345.8 342.3 798 3801 339.8 -0.5 392.2 337.5 331 4,590 335.5 +0.4 336.9 334.7 25 2,317 335.3 +2.0 335.1 335.0 18 1,313 323.1 +4.1 322.8 322.0 10 851 323.1 +4.1 322.8 322.0 10 851 10 891 2,421 22,962 # SUGAR "11" CSCE (112,000bs; cents/lbs) 11.79 +0.14 11.51 11.58 5,755 73.485 11.21 +0.06 11.21 11.20 3,471 38,358 11.01 +0.05 11.03 10.90 754 16,025 10.78 +0.08 10.81 10.87 301 11.517 10.82 +0.09 10.82 10.48 416 5,361 10.47 +0.09 10.42 10.42 7 539 Set Mary July Set Rear Total COTTON NYCE (SO,000lbs; cents/lbs) 72.45 -0.35 72.75 72.20 830 7.963 73.17 -0.46 73.51 73.00 2,122 33,962 74.50 -0.55 74.80 74.40 376 7.895 75.15 -0.45 75.20 601 5,942 75.70 -0.45 75.20 75.70 227 4,050 76.23 4,877 63,350 ■ ORANGE JUICE NYCE (15,000ths; cents/fbs) 112.70 -0.00 112.95 112.35 800 12.118 169.90 -0.50 110.25 169.90 270 3.351 109.90 -0.35 110.10 109.50 168 4.075 111.65 -0.50 1112.75 111.50 35 525 113.73 -0.15 113.80 113.80 - 200

VOLUME DATA Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Off are one

■ REUTERS (Base: 18/9/31=100) Jul 16 month ago year ago 1985.7 2044.3 2238.7 CRS Futures (Beset: 1967=100) Jul 15 month ago 250.83 ms 247.81 250.83 118 GSCI Spot (Base: 1970=100) ne. Jul 15 month ago year ago

INDICES

MEAT AND LIVESTOCK ■ LIVE CATTLE CME (40,000/bs; cunts/fbs) 87.900 -0.025 68.200 87.575 8.316 31,944 69.375 - 08.625 89.000 4.428 30,000 66.275 40.1 68.500 62,675 2,623 14,265 64.550 -0.1 64.525 84.450 1,24 12,627 65.775 -0.375 67.350 65.700 239 4,362 65.725 -0.375 85.300 85.300 41 1,673

58.250 +0.55 58.500 57.650 58.252 +0.15 54.675 53.960 58.050 -0.025 58.300 58.650 77.550 -0.17 77.800 77.250 75.850 -0.15 75.900 75.900 3,183 12,109 1,827 11,284 1,192 8,329 100 2,329 83,400 +2 93,400 93,400 179 1,110 90,300 +2 90,300 89,050 761 3,491 82,600 -0,25 83,150 81,500 1,236 1,366 01,950 -0,6 82,600 81,700 130 155 83,600 -0,7 84,600 83,500 11 82

は無法は LONDON TRADED OPTIONS

LONDON SPOT MARKETS CRUDE OIL FOR (per barrel)

\$213-218 6161-182 \$88-90 \$168-190 \$206-206 -2.5 -1.0 Naphthe Jet fuel \$183-184 NATURAL GAS (Pence/th 13.20-13.35 +0.075 Petroleum Argum, Tel. La M OTHER

Gold (per troy oziş Silver (per troy oziş Platitum (per troy oz.) \$392.00 Palledium (per troy oz.) \$182.25 -0.90 Copper Lead (US prod.) 95.Dc 45.00a 15.25r 290.50 -0.04 Cattle (live weight) Sheep (live weight) 99.27p 114.20p +2,49 -4,95 Plos (ive weight) 115,850 Lon, day sugar (waw) Lon, day sugar (wta) Barley (Eng. leed) \$314,80 Unq Unq Unq Rubber (Aug)♥ Rubber (Sep)♥ 90.00p Rubber (KL RSS No1) 331.00m

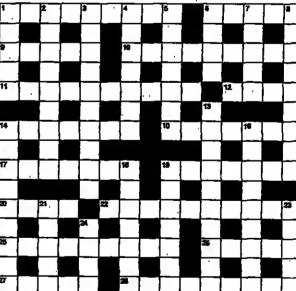
+20 Cocorat Of (Phil) 780,00w +15.0 -6.0 \$472.52 Copra (Phil)§ Copra g-mys Soyabeans (US) Cotton Outlank 'A' Ind Wooltops (64s Super) 60.10c +0.05 430p

The new mine will develop JOTTER PAD

FT BOOKSHOP To order any book reviewed or referred to in the FT, or indeed ther book, call Preephone 0500 418 419, or +44 181 964 1254 outside the UK, for the FT Booksho Free poep in UK, £1.50 in Europe, £7.50 Rest of World.

#### **CROSSWORD**

No.9,123 Set by VIXEN



ACROSS injury is much sooger than an insult, as Chesterfield wrote (9)
6 Cold girl, but kind (5)
9 Sack the fellow in anger (5)
10 Stay, having lots of time, in

Alaska (9) 8 Rush - stream plant (9)
11 The doctor increased 12's 18 The ability to make sufficient gloom (10) 12 The top man wants a large number (4) 14 There's great excitement

(7) 20 Article found in church – a

walking-stick, (4)
22 Puts back control and comes
to a standstill (10) 25 The patient 28 is taken by 26 Report causing an uproar (5) 27 In spring dry weather may bring some warmth (5) 28 A person driven to proceed

with "green" conversioo (9) DOWN

1 Assembly discussing the Foreign Office over a drink (5)

2 Determined views of a judge 3 Yet again spectacles are responsible for mistakes (10)

4 A coach for the retinue accompanying royalty (7)

lem (7)
6 The stupid guy should be left in bed (4) 7 A quarter are sensible (5) 14 Ditch a worker, getting acri-There's great excitement 16 Coming to fish after all (9) about an American songbird 18 Get rid of pollution and get

----

rich! (5.2) 15 One of a dozen given a job by 19 The new car sent for moves at the French (7)

a fair speed (7)

17 From Castile originally, so

21 Count may be as currency no tolerant (7)

19 Making a hole in state funds

23 Some people are disheartened when cut (5)

(7)

24 The very best fruit (4)

Solution 9,122

ALREDALE PLATOL

VAAH NEE
EXTENDER GUINEA
RIE ON NE RE
SAMDSTONE DOYEN
E O WAAS I

MOON LETDOWN
E NO
ON E AA
PUGUN RDTTENROW
ON TO A GIE
E A G

And Brief the

A STATE OF

1998 11 z

the gard of the same

( a) a ( )

Chapter any

ALTERNATION AND ADDRESS AND AD

Section and the con-

Manager ...

de la company

THE PARTY STATE OF THE PARTY NAMED IN

夢神明をよった。

AND AND DELLAR

Atmit a. re

A State Special print party and the same of

Market of the second

THE SHAPE AND TH

hada per in .

The second second

Marie Carlos Company

A STATE OF THE PARTY OF THE PAR

TTER PAD

the n

to 16

# # Pres 2 1.

Mine Allerton

A Politiquete manage (1)

WE WERE THE THE

Marie Company

ine fift fie fighte. the the tax

ME 177

Million M. Low ...

THE TANK AND THE PARTY OF

# Pain Price NWARD INVESTMENT INTO THE UK

### Incoming capital tide increasing steadily

he world's three record year in succession, despite wour the UK as their rst-choice

estination for foreign xpansion. Michael lassell explains why he potential remains normous

he roll call is impressive. Siemens, | Alla and many more world-class ompanies, are united in choosing the UK as a manufacturing base wer the past year.

While not the masters of football burners, the UK has enjoyed the

While not the masters of footban While not the UK has enjoyed the un of the field when it comes to un of the field when it comes to inward direct investment. By last rear, the UK's stock of inward lirect investments stood at more han £150bn, three times the level recorded a decade earlier.

The world's three largest econo nies now favour the UK as their arst choice destination for foreign investment. Around 40 per cent of all inward manufacturing invest-... ment into the European Union is -coming to the UK, which accounts for two-fifths of all US. Japanese and, most recently, South Korean investment, German manufacturers, too, are showing renewed enthusiasm for the UK as they discover overall labour costs running at less than half those at home.

Mr John Major, the British prime minister, hails his country as the "enterprise centre of Europe", a claim roundly dismissed by detractors who stress the continuing weaknesses in domestic productivity, innovation and investment and who ask why foreign companies have to lead the way.

Mr Michael Heseltine, Mr Major's deputy, says the volume of inward investment by hard-nosed compales who owe no favour to politicians speaks for itself. He points out that the UK has a higher ratio of inward direct investment to gross domestic product than any otherleading global economy.

In the year to April 1986, the government recorded 477 new inward investment projects in the UK:

directly creating nearly 50,000 jobs. the competition to attract interna- new expansion programmes. tional investment capital. Sharing in the success, the government-backed Commission for New Towns sold nearly £10m worth of land and premises to inward investors during

its last financial year.

After a lull in the volume of inward investment into Europe, activity has again been rising. Since 1989 the number of Japanese companies coming to Europe has been declining but last year this trend was reversed according to the Japanese External Trade Organisation

Nearly half the Japanese companies taking part in a Jetro survey named Britain as the most attractive European base for manufacturing; once again, more Japanese companies came to Britain than to any other European country.

Not all inward projects have been entirely successful, with low profitability levels a continuing source of criticism among the Japanese, But with the accumulated value of Japanese industrial investment in the UK standing close to £20bn, there

appears to be no going back. In the eyes of the Invest in Britain Bureau (IBB), charged with overall responsibility for promoting the UK to internationally mobile investors, the potential remains enormous. The organisation, which should

have a nationwide site database operational by the autumn, claims a new national cohesion in the campaign to attract foreign investment. Even so, ministerial eyebrows have been raised by the intense and possibly counter-productive regional rivalry demonstrated during recent efforts to win the £1.7bn LG Ricctronics plant, which ultimately settled for Newport in south Wales.

For its part, the IBB is now concentrating its overseas promotional efforts in North America, the Far East and elsewhere in Europe. Industrial sectors singled out for special attention by the IBB include the automotive, electronic, pharmaceutical, blotechnology, medical services and financial services sectors. It is also giving high priority to ensuring that foreign investors already established in the UK -

who now account for 60 per cent of The tally represented the third all new foreign investment decisions - choose the country for any

The reasons investors choose the UK are well known. Among them are comparatively low labour rates critical given the high-tech, capitalintensive nature of many investments - and flexible employment conditions. An open door to the rest of the EU and the comfort newcomers find in knowing that others have already chosen the UK are among other important attractions.

The impact of foreign capital investment in UK-based manufacturing has been immediate. But it also offers the prospect of much lon-gar-term benefits that can help reshape the UK's industrial base.

The government estimates that, since 1979, more than 800,000 jobs have been created or safeguarded by foreign investment. Around half the output of overseas-owned manufacturers is exported; fewer than one-fifth of those sales would have been taken by UK companies in the absence of inward investors.

A report by PA Cambridge Economic Consultants calculates that the net effect of inward investors involves a positive contribution to UK trade of well over £700m a year.

The structural benefits for the UK's manufacturing bese are harder to assess but no less important for the longer term. There is already evidence to demonstrate improved product quality and customer responsiveness among suppliers and increased product development among competitors.

The competitive pressures will only be enhanced further with decisions like those of Samsung, the south Korean electronics giant which is building a plant in the north east of England, to persuade six Korean suppliers to set up in the UK to serve its new operation.

The ultimate beneficiaries should be customers of inward investors who can expect better quality goods and services and lower prices to help their own profitability and productivity - and end-consumers. Ministers insist it is not a case of

foreign investors performing better than UK companies, more that all inward investors have been quick to



nies, irrespective of origins, tend to be better performers than those confined to a domestic market.

But the picture may not be entirely rosy. Despite some recent . improvements, it is hard to sustain claims that the country can offer across-the-board employment skills equal to those anywhere else. There is a worrying skills gap which experience and which the govern-

ment knows has to be closed if the UK is to become fully competitive. Mr Jürgen Gehrels, chief executive of Siemens's UK subsidiary, said recently that while the UK has a pool of talented graduate engineers and scientists, the skills within the broader workforce, particularly in shop floor manufactur-

ing, needed to be improved. Failure to do so, he warned, could future investment in the UK by international companies. He said any belief that the way forward for Britain was as a "low-skill and therefore low-wage economy" was totally unfounded. A broader range of apprenticeship schemes was

essential, he claimed. UK ministers acknowledge there is room for improvement in skills training but claim the UK sheady

#### IN THIS SURVEY

UK advanteges: 4 pro-business, competiti Japanese contribution: fertiliser for local inclustry

 Management: chief problem for companies

North east: partnership proves its worth London and the south east: top location for business

North west: becoming a best saller Wales: apringboard into

Soothand: Talwan closes Midlands: big projects alude region

uncertainty clouds future South west: a doubly desirable destination

ternished image

Production editor: Floy Terry

ket of any country in Europe, with more people in work and fewer peo-ple unemployed than almost any other leading EU country.

The government says it will not risk this position and has set itself against the implementation of El: laws - such as a national minimum wage and a standard 48-hour working week - which it believes will blunt the UK's competitive edge.

Labour is equally adamant that UK workers are entitled to the same employment rights and conditions as other European workers and says there is no evidence that inward investors would be deterred by such improvements.

Far from believing its employment and social policies will deter investors, Labour believes its pro-EU stance will encourage even more companies to choose to locate in a United Kingdom which wears its EU membership more comfort-

In reality, few inward investors have been seriously troubled about the present government's continuing difficulties in Europe or the rumbling uncertainties over a single currency; for the moment nothing seems likely to stop the incoming investment tide ....

·美华市1、海州399

You're America's biggest TV shopping channel. And you want to expand in Europa. So where in the entire continent do you site your call centre? Paris? Dublin? Amsterdam?

Right now, OVC's call cantre operation is being built in

Knowniey, Merseyside. For sound reasons, The region's telecommunications technology is eady well known. Amongst the best and most extensive in the world, highly competitive with four com providers to the region.

"We like the warmth and permess of everyone, and the 'can-do' attitude."

Even less hush-hush of course, is a Merseysider's talent for talking. A talent that's been brilliantly employed in the pools, insurance and home shopping es for generations. On Merseyelde, doing business on the phone is in the blood.

But, QVC also chose Merseyside for less

They found out about lower operational costs and wide she availability. About some of the most attractive financial incentives, recruitment and training package in Europe. About the regular forum of existing Menseyside call centres who pool their knowledge and share that information with new investors. But above all, they found out about the attitude of the

people who work here. Merseyside triandliness and an ideal working environment will create a brilliant team here."

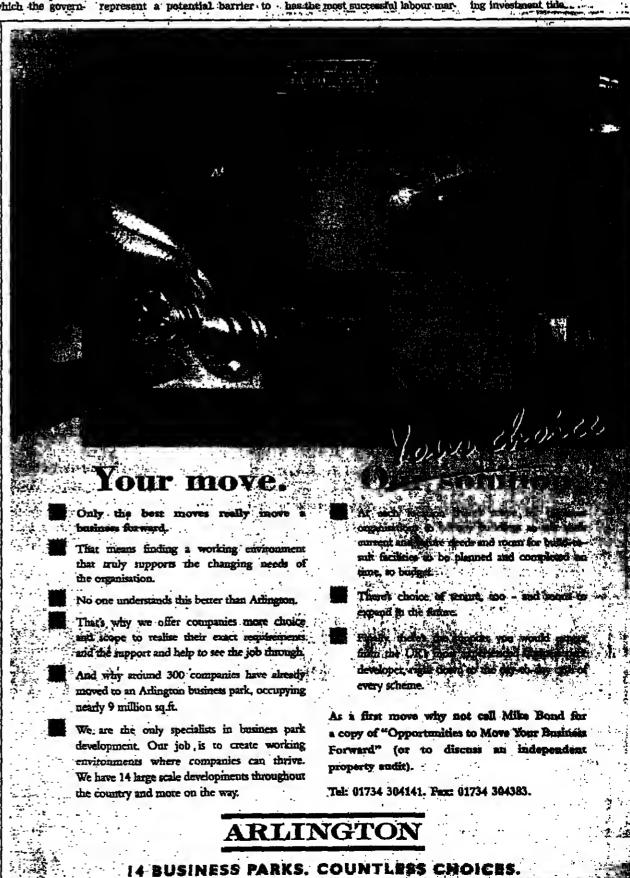
Look at some of the other cell centres who are aiready established on Merseyside-Bardays Direct Loan Services, NatWest and Swedish company Intrum Justitia. And in other sectors, Ford, General Motors, Kodak and Sony continue to succeed. So could Merseyside really become the call contre

ceptal of Europe?

It's happening even as we speak



A'pool of talent



Birmingham, Bracknell, Bristol, Coventry, Fariborough, Glasgow, Gloucester, Hatfield, Kettering, Manchester, Newbury, Oxford, Reading, Southampton

A STATE OF THE PARTY OF THE PAR

e erftere

to the trees.

or with a life way.

and the second

Harrist to the same of the sam

and we see participated

of the Edward.

بهوات تتوج وربد

on aftersteinfär åtti

Later tree with the

10 1917 Sept 10

The same and the

وغبونيه دن د

TO SEAL STATE

TO THE B

44 44

The part of the same

Maria Carlo Part and

and the state of t

The State of the S

The state of the state of

we have being

market of the second

----

1

■ UK advantages: by Michael Cassell

### pro-business, competitive environment

Having won the lion's share of EU inward investment. 'after sales' links in future will be vital

"investors are flocking to our shores," says Mr lan Lang, trade and industry secretary. He is quick to claim that the government's much-proclaimed competitiveness agenda ls increasingly responsible for the UK'a inward tide of manufacturing investment.

Cynics might suggest that recent improvements in UK competitiveness have been driven as much by the efforts of foreign "incomers" - invari-ably more profitable and more inclined to invest than their Britisb counterparts - as by any ministerial initiative.

But the government can legitimately claim that structural changes in the UK economy over the last 15 years have helped make it a more attractive location from which to do business; the scale of inward investment by some of the world's higgest and most successful companies offera impressive testament to the henefits of setting up in

The country has for decades attracted a significant number of foreign investors, with the United States proving itself one of the longest and most faithful backers. Even in the 1970s, wheo the country's reputation for industrial strife reduced it to the status of the "aick man of Europe" and inflation reached well into double digits. there were strong commercial arguments for investing in an offsbore European manufacturing base which provided access to an expanding economic commu-

nity. But it is in the last decade in particular that inward investment into the UK has become an economic phenomenon; whatever the politicians may claim for their role in bringing it about, in truth they, too, have been surprised at the

scale of the inward migration. The use of English as the international language of busioess has always been a critical factor for which even the most brazen politician has been unable to claim responsibility.

But the government may be on firmer ground in taking some credit when it suggests the UK now offers a "pro-husi-oess" eovironmeot which can compete effectively with most other EU territories.

In the earlier stages of the rush to invest in the UK, relatively low labour costs proved one of the higgest attractions, along with market access. The trend led to accusations that Britain was converting itself into a "sweatshop" economy, where cheap labour would be

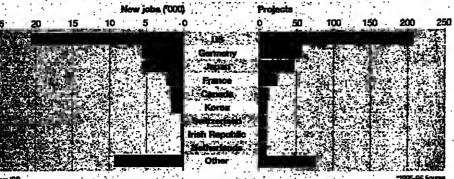
#### The US has proved to be one of Britain's most faithful backers

employed for fundamental manufacturing and assembly work.

Employment costs in the UK remain comparatively low, reckooed to be on a par with those of South Korea; recent Treasury figures used to explain why the country is doing better than most others in Europe in creating new jobs sbow that for every £100 spent oo wages in the UK, an employer has to add an extra £18 for noo-wage costs. But in Germany the add-on costs are £32, in Spain £34 and in France

The figures go some way to explain the government'a resolve to reject pressure on it to implement the EU social chapter, seen by ministers as an unnecessary hurden likely to damage the UK's international competitiveness. Labour costs are not, how-

ever, as important a determinant in location decisions as they ooce were. Big inward investors like Siemens, the Where the investment is coming from



German electronics giant, is to huild a £1.1bn semiconductor plant near Newcastle upon Tyne but with no more than 1,500 jobs involved the employ-

ment costs form a marginal

element in such a highly capi-

tal intensive project. The point is driven home in a new analysis of international investment. Consultanta Arthur Andersen point out that it will be the development of industries in which salaries represent just 5-10 per cent of costs that provides the impetus for future corporate develop-

ment in Europe.
Increasingly more important than labour costs, in the eyes of potential investors, is what the UK government describes as the "flexibility" of Britain'a

Critics prefer to see it as

in which employee protectioo is limited and the need for jobs of any kind is paramount. Despite some improvements.

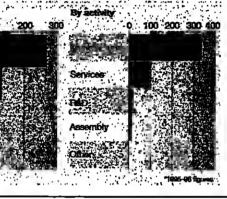
Britain's record in skills training is weak, although workers have repeatedly demonstrated their ability, given the opportunity by foreign paymast retrain and provide fully com-petitive levels of productivity. But significant reforms in

employment law which have made strikes rare and led to single and non-union agreements have helped transform the country's record on industrial disputes. Shiftwork. part-time and overtime working is commonplace, offering investors a production regime to suit their needs.

Anxious to maintain what he sees as a vital competitive

edge, Mr John Major, the Britinternational capital taking iah prime minister, has advantage of a labour market recently made clear his deteriah prime minister, haa

The favoured sectors and approaches



mination to resist an expected European Court of Justice ruling obliging the UK to agree to a standard 48-hour working

A minimum wage is also rejected by the present administration, although the Labour party is committed to its introduction even though it has not publicly fixed a figure. The party is equally determined to maintain a strategy which ensures British workers are entitled to the same employment rights and conditions as those elsewhere in Europe.

Low corporate taxation is regarded as another important priority for inward manufac-

The UK's mainstream corpo ration tax at 33 per cent - Germany's stands at 45 per cent is the lowest of all main industrialised countries while overall taxation in the UK is below the EU average. Another factor inevitably

figuring on any investment checklist is the availability of financial incentives; with one recent potential investor reportedly offered the equivalent of £37,000 per employee to bring a plant to Wales, their provision can clearly make a difference. Bnt, as Britain's Invest in

Britain Bureau emphasises, financial assistance is a short-term incentive but investment is a long-term commitment." The UK accepts that it has to try and offer a package of financial help comparahle with those elsewhere in

But ministers question the sense of allocating potentially huge sums to enable EU members and even regions within member states to compete for inward investment

Britain reckons it has a few other aces up its sleeve. Ministers cite strategies for attracting a significant increase in design, research and development investment in the UK, a trend which is already well in evidence as foreign investors strike up collaboration projects with universities across the

Advanced transport and telecommunications systems, together with the predominance of the City of London in international financial markets, are also advanced as good reasons for taking the UK serionsly as a manufacturing loca-

As for inward investors themselves, many have publicly proclaimed themselves impressed with the UK effort, at national and local level, put into attracting them to the UK.

The country's success so far in taking the lion's share of inward investment into the EU in itself offers an important honus, granting potential investors the comfort of know-



lan Lang: "investors are flocking to our shores"

ing that many others have already opted for the UK. With competition for inward investment becoming tougher, the UK is placing a fresh and important emphasis

so-called "after sales", maintaining continuing links with new investors and positioning itself well if and when additional spending programmes

■ Japanese contribution: by Stefan Wagsty

### Fertiliser for local industry

Foreign companies play an important role by introducing new management techniques

When the first large Japanese factories opened in the UK in the early 1970s, they were regarded with some suspicion. While local people enthusiastically snapped up the jobs on offer, others mattered dire warnings about foreign-owned screwdriver plants undermin-

ing the British economy. Such voices are almost oever heard today. It is a measure of the extent to which the benefits of inward investment have spread through the ecocomy that even those who have never been inside a Japanesescale of the achievement.

As Mr John Bridge, chief executive of the Northern Development Company, the north's investment promotion agency, says: "Inward investors are a fertiliser for local industry."

It is becoming increasingly apparent that inward investors hring with them indirect advantages for the UK, in addition to the considerable direct gains. For the gains to the UK can be measured not only in the volume of investment, in the jobs created at foreignowned plants and their suppli-ers, and in exports, but also in the intangible benefits. The most important of these is the role foreign-owned companies play in introducing new management techniques and new technology. While investors from many countries contribute to this process, the most significant influence are Japanese manufacturing groups, particularly the Japanese car makers, Toyota Motor, Nissan

Motor and Honda Motor. The big wave of Japanese investment into the UK, which gathered pace in the early years of the administrations of Mrs (now Lady) Thatcher, coincided with a great upheaval in British industrial relations. With the government urging employers and trade unions alike to abandon traditional attitudes, there was an opportunity to promote new ideas, including ideas practised by

quality, factory management, and controlling suppliers.

Moreover, Japanese inward investment coincided with and contributed to a period of rapid globalisation of industry. Companies which had been used to treating home markets as their oear-exclusive preserves found themselves competing with rivals from the other side of

the world. In key sectors, including motors, electronics, and machine tools, there was a quantum leap in the level of competition. Competition forced British companies. among others, to change or face extinction. In the quest for change. Japanese inward investors offered important examples of what could be done.

ity as a guiding principle is not uniquely Japanese. But in manufacturing, especially in mechanical and electrical engineering, Japanese companies have led the world in implementing techniques for achieving quality improvements. The starting point for these techniques is measurement - by measuring everything from raw materials coming into a factory to the finished goods leaving it, leading Japanese companies were able to identify how best to improve productivity and quality. Not every Japanese group snc-ceeded: but those which grew large enough to invest over-

seas generally did. The pursuit of quality led Japanese companies to repeatedly review the organisation of factories and of supply chains. They decided that the best way forward was in devolving responsibility to the shop floor and to supplier companies. Progress was not always easy - Japan was racked by strikes in the immediate post-war years - but eventually relations between managers and workers settled into a pattern

based upon co-operation. When it came to investing in the UK, some Japanese companies were initially wary about transferring their manufacturing methods overseas. They were concerned that their techniques could only work in Japan, where co-operation is at the heart of national culture.



John Bridge; recognises benefits of foreign companies

-Claims that early Japanese plants in the UK were no more than simple assembly factories - screwdriver plants - were often correct. But as the Japanese owners grew more confident of operating in the UK, and the demand from the British and the European authorities for localisation grew stronger, so Japanese plants developed ever stronger links.

with the local economy. As they did so, Japanese companies began to apply their management techniques. They found they were often pushing on an opeo door. There was very little that was uniquely Japanese about their ideas... British managers hired by Jap. anese companies were delighted to get an opportunity to try out ideas that they knew were sound but had been prevented from implementing by archaic labour relations. For. example, at Nissan, the first Japanese car maker to build an integrated car plant in the UK, top managers were recruited from the British car industry. including Rover Group, which was then still a hy-word for

industrial inefficiency. At the factory level, the new. ideas include better training, mnlti-akilling, devolving responsibility to units of 10 or 20 staff, and repeated demands for measuring and improving performance.

Across the company, there is. a strong emphasis on involving as many disciplines as possible in the early stages of product. development. The principles are extended to managing suppliers by trying to develop long-term relationships and to involve them in product

Japanese companies, often makers of finished goods, made a priority of encouraging sup... pliers to modernise their production methods. These suppliers were then urged to pass the lessons on to their own suppliers. So the new ideas passed down the chain to second and third tier component makers, including small family-owned companies

Competitors were forced to respond by making changes of their own, sometimes following Japanese methods, sometimes not, and occasionally introducing innovations which Japanese groups themselves had not considered.

In these ways, whole indus-tries were modernised, notably motor cars and electronics. But the lessons also have spread to other industries. Local link have played a part. Sometimes employees of Japanese companies have left for other companies and taken the ideas with them. Sometimes college courses established with the support of a Japanese group have benefited other local husi-



**LIVERPOOL'S ALBERT DOCK** 

**BUSINESS IS** 

WHERE

ALWAYS

A PLEASURE

Waterfront, Albert Dock is one of Merseyside'a most exclusive business addresses. This famous landmark, celebrating its 150th anniversary this aummer, is just minutea from the bustling city centre, has around 5.5 million viaitors a year, and boasts Its own fine restaurants, pubs, cafés, shops, galleries and museuma. With space now available for retall and office units both large and small, as well as a further 28,000m2 under development, it's positive proof that it is possible to mix business with pleasure.

The development of Albert Dock is one of Merseyside Development Corporation's major projects on the Mersey Waterfront, which is now home to such successful organisations as Costco, Littlewoods, Royal Mall, Meyer UK, Cable North West and McIntyre & King. If you'd like the pleasurs of joining them, make it your business to call MDC today.

> CALL NOW ON 0151 227 3245



Survey Fax Service For e copy of the latest survey programme UK callers may use the FT Surveys Fax-U-Beck Service. The programme lists surveys due to be published and numbers to call to receive

editorial synopses or advertisement details. The fax number to call is 0990 209 908.

For callers outside the UK, the fax number to call is +44 990 209 988,

Technical note: If you have a handset on your fax machine, dial the Fax-U-Back number and press 'start' when instructed. Alternatively, the number can be dialled direct from the fax keyboard, followed by 'start'. If callers here tachnical problems regarding this service, please call 0171 873 4378. Callers from outside the UK should dial + 44 171 873 4378.

# for companies

The main issue for multinationals is who to put in charge of operations

For Keith Whitbread, events have not worked out according to plan. In 1991 Mr Whitbread, an experienced logistics manager, took over as head of the newly-formed UK division of New Wave Logistics, e large 1-vanese-owned distribution chipany setting up in Europe.

To start with, Mr Whithread was given virtually e free hand by his company, which is part of the giant NYK shipping business. It seemed as through New Weve, which also has logistics operations in Belgium and Italy, was happy to let Whithread operate in his own style in the UK, using his own knowledge of the British distribution business and his good track record in e similar job et Federal Express, the US par-

His division appeared euccessful, building e new £15m warehouse in Milton Keynes complete with the latest computer controls for tracking goods entering Britain from companies such as Pioneer. Sanyo and Casio. The warehouse employs about 100 people and has a throughput of goods worth about £1bn a year.

Then a few months ago. apparently after an internal row with his Japanese bosses, Mr Whitbread was forced to leave New Weve and is now looking for another job.

The events at New Wave underscore the problems that can occur when multinationals setting up in the UK tackle the number one management issue who to put in charge. The choice often comes down to selecting someone who is ingrained in the inward-invest-; company's culture, but is unfamiliar with the UK. or plumping for an outsider who has run similar enterprises in

the UK. A range of other possible management headaches crop up for multinationals in establishing themselves in a country such as the UK - many of them to do with how to run the business according to a global set of objectives, yet at the same time have sufficient flexibility to react to local issues over such factors as pay and working conditions.

There is no evidence that Japanese companies in the UK are any more or less susceptible to difficulties of this kind than those of any other nation. However, the wave of investments in the UK in the past 10 years by subsidiaries of hig Japanese companies have inevitably led to a number of experiences of discord between managers at the subsidiaries

and head offices. Some of these problems can possibly be ascribed to cultural differences between the British and Jepanese way of running businesses. In the case of Mr Whitbread, New Wave insists the departure was "amicable" and that be "left to pursue another direction to bis career". However, an inslder said Mr Whitbread fell out of favour with his superiors, "and he found that if you fall out with the Japanese then you're

Sumantra Ghosbal, a professor in strategic leadership at London Business School, cautions against "too much accent on cultural issues" when examining multinational management strategies. "The concepts here are fuzzy; what some people may put down to cultural difficulties is often a simple problem of lousy management," said Mr Ghoshal.

But a detailed study last year by Keith Jones, then general manager of a British subsidiary of Nippondenso, Japan's biggest car components company, threw light on e host of to cultural issues in the UK arms of Japanese companies.

A range of differences between the average Japanese and British manager - in areas such as attitudes to promotion, weys of communicating, and parcelling out of tasks to subordinates - can easily lead to conflicts, according to Mr Jones, who at the time was

working for Telford-based NDM Manufacturing, a company three quarters owned by Nippondenso and 25 per cent

by Magneti Marelli of Italy. In his thesis for a masters degree, Mr Jones, who has since left to work in Germany for Lear, a big US car seats manufacturer, also bemoaned the fact that not enough Japanese companies io the UK employed a UK executive in

Not all stories of multinationals switching managers around in the UK, sometimes the people concerned, involve Japanese businesses. Earller this year, Black & Decker, the big US consumer products and tool company, installed Bob Schwarz, an American, as head of manufacturing at its three main European plants, of which one is in Spennymoor, Durham.

The job, created after Black & Decker reviewed its global manufacturing operations, had not previously existed. Inevitably it led to e clash with Bob Bowlam, the company's highly regarded UK technology director, whose role had involved a large responsibility for production strategy at Spennymoor. In the resulting changes, Mr Bowlam left the company.

Management control in some UK divisions of Japanese companies often appear, to the outsider at least, extremely smooth. Mr Keith Tipping, a

> 'Cultural differences may often be simply lousy

British manager, has been in charge of the UK factory of Komatsu, the Jepanese excavator company, since 1994 and is said by his company to enjoy considerable autonomy. Sony, which has had a UK manufacturing presence since 1973, has had several British managing directors, the present incum-bent being David Pearson.

management'

But in another Nippondenso subsidiary in the UK - Shipleyhased ND Marston, which makes automotive radiators and in which again Magneti Marelli has a 25 per cent stake - the nationality of the chief executive recently became an

Nippoodenso (which in Octo ber is changing its name to Denso to reduce the accent on Japan and reflect its global ambitions), in February installed in the top joh in Shipley Koichi Sato, an experienced executive from the company's Japanese operations.

He took over at ND, which from next month is to be called Denso Marston, after a two-year stint by another Japanese, Mr Katsumi "Keith" Susuki. Mr Susuki had in 1994 replaced e British chief, Mr Elfed Lewis, who had been in charge for five years.

Nippondenso resisted the temptation to bring in a British top manager, even though this would probably have been welcomed by the workforce and reinforced its credentials as a UK-based company. Its reason was that it wanted a tough, tried and tested top man to restore the subsidiary's profitability. The radiator company has seen a strong growth in sales, which in 1994 reached some 250m, but since 1992 has made a loss.

Another leedersblp issue arose a few months ago for the UK snbsidiary of Epson, the big Jepanese printer company, when it repleced its UK chief executive, Mr Yorimasa Yuguchi, with Mr Masa-Aki Hamamoto, its European president, who will continue with that role while running the UK

Someone familiar with Epson said: "Mr Yuguchi had been paddling his own canoe He was too independent and did things the British way. Epson dldn't like it." Epson said it did not want to comment on the affair beyond e statement which said Mr Yuguchi's five-year spell in the UK had been "very successful" and that his achievements were "considerable".

New jobs ('000)

The big build-up

**Fromotion:** by Michael Cassell

### Chief problem UK has finally got its act together

Attracting overseas manufacturers is a priority, but regional rivalries could interfere

Few people doubt the benefits to the regional and national economy of ettracting inward investment, hringing with It new jobs, income, ekills, technologies and practices.

But the UK'a success in

attracting foreign manufacturers has also become a source of controversy at local level. Though anxious to pley their part in bringing new economic activity into their areas, some local authorities are questioning whether too much time and money is being epeot on recruiting overseas companies and not enough on supporting and developing indigenous

set up by the Labour party to examine strategies for regional economic development emphasised that inward investment is not e panacea for economic regeneration in the regions. It pointed out that Leicester TEC, for example, believed only 5 to 10 per cent of new jobs in its area would in future come from inward investment.

A recent report from the

pendent policy commission

businesses providing almost all the balance.

The report said the clear message was that promoting inward investment by overseas companies should be additional to, not a substitute for, promoting indigenous investment. It echoed fears that too much reliance on inward investment meant the UK regions would merely become 'branch plant" economies adding little to the UK macroeconomy and over which government and regional euthorities would have little influence and control.

Another report published earlier this year by accountants Ernst & Young called on local anthorities to reappraise their inward investment efforts, which were often spread too thinly and meffectively. While not decrying the potential benefits of this type of investment it also pointed out that it was "often easier and less costly to retain an existing company than attract a first-time investor".

The need to strike a sensible balance is widely accepted and, in many cases, the reality is that resources for encouraging economic regeneration of any sort are extremely limited. But whatever the fears about local economies falling into the

with the expansion of existing hands of international paymasters, the effort to bring overseas manufacturers to the UK now attracts the highest political priority at national level.

After years during which the national campaign to market the country as a prime manufacturing base was acknowledged to be poorly resourced and hadly orchestrated, the UK. now seems to have got its act A jigsaw of effective local

partnership between a wide range of economic development organisations, led at national level by the Invest in Britain Bureau, is almost complete and beginning to pay dividends, according to Mr Andrew Fraser, IBB chief exec-

Co-operation is promoted via the IBB - primarily charged with marketing the UK abroad through Locate in Scotland, the Walsh Development Agency, the Industrial Development Board for Northern Ireland and, in England, through the regional development organisations. The IBB currently has an annual budget of £10.5m, accounted for by promotional activity and by funds for distribution in

The RDOs, which chorecgraph locally the efforts of TECs, universities, science

English Partnerships, each cover areas accounting for between 5 and 10 per cent of gross domestic product: "They provide the economic building blocks on which we build a countrywide effort; together all these bodies can achieve a cohesion which allows the regions to punch above their

weight," Mr Fraser adds. Some regions have unquestionably woken up earlier than others to the potential eco-nomic rewards of winning foreign investment. Organisations like the Northern Development Company, the regeneration body for north-east England and Cumbria, and Northern Ireland's Industrial Development Board have proved themselves extremely effective while some other regions have been elow to marshal

The east and south-east, inparticular, appear to have been s well organised in exploiting the potential of inward investment, although it is fair to stress that they were competing against regions which could offer the added advantage of grant aid.

As an early beneficiary of the original wave of inward manufacturing investment, parts of the south ignored the

parks, local authorities and other regions and have only notched up-elsewhere in the

to suggest the entire national effort cannot be improved. Ernst & Young pointed out inits report that many local authorities were severely hampered by a lack of understanding of the inward investment market; it said some authorities were undertaking promotional activities which only had a limited impact.

The report also found that most local authorities viewed their neighbouring regions as inward investment, highlighting a regional competitivener which is understandable but not necessarily always helpful.

regions and the bodies charged ensure that these do not underor areas rush off to try and do

IIK. No one is complement enough

their principal competitors for

The IBB recognises that there will always be rivalries and tensions between the with attracting new investment and it is anxious to mine the national effort. "The biggest problem is when cities their own thing," says Mr

He adds: "We are going to have to manage the process of regional rivalry very carefully potential competition from but we are evolving a system

Andrew Fraser: regional rivalry must be managed carefully

in which national and local government are working more closely together, giving us a priceless advantage."

Mr Jonathan French, economic development officer for North Yorkshire, is not alone in suggesting that regional rivalry for new investment is a positive force, ensuring local organisations stay on their toes and making potential newcomers fully aware of all the opportunities available. But he believes there is still room for better co-ordination when it comes to promoting the UK

The IBB is in the process of strengthening its overseas marketing effort and is keen to see its national team win a higher profile both abroad and around the UK.

### LG Group is investing

creating

That's the biggest inward investment ever made in Europe.

One of the reasons Wales secured such a massive investment from LG is the productivity of the Welsh workforce. Other good reasons include modern infrastructure and the support services available. For more reasons why your business should invest in Wales, contact the Welsh Development Agency.

INTERNET: http://www.netwales.co.uk.



BEST BUSINESS CLIMATE IN EUROPE. +44 1443 84 55 00.



DEVELOPMENT AGENCY

tei wi da

4 \a 106

anı hu.

doz eri

■ North east: by Chris Tighe

### Partnership proves its worth

Inward investment into the north east during the past decade has created 39,580 jobs

Ten years ago today, {}the Northern Development Company was officially born.

The NDC's formation, after two years of bridge-building between competing interest groups and organisations, was of crucial importance in fostering the "partnership" philosophy which has since been so vital to north-east England's success in attracting inward

In the early 1980s, as the north east and Cumbria struggled with the decline of traditional heavy industries, many in the region wanted a gener ously funded development agency on Scottish lines - an aspiration which the renewed debate on devolution has again

fanned. But the NDC, while run on a modest budget, delivered something money alone could not buy - a consensus between the private sector, the trade unions and the local authorities that they would work together for the good of the region to win inward investment.

Inevitably, there have sometimes been strains but the demonstrable success of the partnership approach in securing foreign direct investment has continued to focus participants' minds.

The north east, with impor tant investments by Nissan, Fujitsu, Samsung and dozens of other Far East companies, now }claims to be the principal European centre for manufacturing investment from the Asia-Pacific area. While the northern region accounts for about 5 per cent of UK GDP, it bas received over the last decade more than 10 per cent

of all foreign direct investment captured nearly all the last sites in the region which are coming into the UK.

The NDC says inward investment into the area since 1985 has created 39,580 jobs - this figure includes forecasts of future jobs - and safeguarded another 25,059. Inward investment spending, including future commitments, totals £7.4bn.

The latest Regional Trends Survey showed that by 1993 ths north east and Cumbria had the second highest level in the UK regions of gross value added per employee in manufacturing. At £30,474, it was bettered only by the sonth-

And new government figures on manufacturing productivity show the north east top of all UK regions in 1994 in value added per employee.

Inward investors contributed directly, through their own plants, and, indirectly, through their impact on the supply chain and their influence on indigenous companies.

Inward investment, says NDC chief executive Mr John Bridge, has revolutionised the north's industrial base. "It's not a bolt on," he says. "Ministers must understand it's a highly integrated part of the UK economy.

The north east, which has

**Projects** 

Overseas investment in the north of England

1985-95

New Jobs

1,867 3,696 2,857 3,351 4,433 2,853 2,302 2,961 2,128

6,113 5,674

38,257

Safe Jobs

2,272 1,236 784 31 1,364 1,470 2,595 2,516 3,372

5,791 2,932

24,353

decade's inward investment into the northern region, now faces a new challenge - large site availability. While it still has high quality greenfield sites, the availability of very large sites, with a high level of utility services readily on hand, is another matter. "Wa are running out of sites if you look at 200 acres and above."

our deluxe portfolio

The less publicised business

of winning reinvestment by

those already in the region is a

key NDC area of activity. In

1995/96, of the 10,420 new and

safeguarded jobs NDC attri-

butes to inward investment

from overseas, 40 per cent

came from 42 expansion pro-

jects, with a capital spend of

Reinvestment's importance

was highlighted by Fujitsu's

decision to delay the planned

expansion of its County Dur-

ham semiconductor plant

because of the present down-turn in the global microchip

market. At £816m this expan-

sion is bigger than most new

Another recent announce

inward investment projects.

ment underlinad NDC chair-

man Sir George Russell's

maxim, "Our expansion is somebody else's inward invest-

ment". South Shields-based

printed circuit board maker

Interconnection Systems Ltd

(ISL), a homegrown high tech-

nology company, announced it

had chosen north Tyneside for

a new £120m. 1.000-iob plant

Central Scotland and Spain

had also been contenders. To

sea an indigenous auccess

story slip away would have

been mortifying for the north

The choice of north Tyneside

last year by Siemens for a

aemiconductor plant, now

under construction, bas, Mr

Bridge believes, given the

region, which already had

Fujitsu, a critical mass in semi-

conductors. Although this will

not create a Nissan-style clus-

ter of component plants, be

bopes it will stimulate some

specialist supplier investment

and provide more work, possi-

bly for indigenous companies.

in sophisticated maintenance

As Samsung bas chosen

activities.

The NDC's most recent board meeting agreed that an action team be formed, comprising representatives from NDC, the government office for the north east, the government-backed regeneration body English Partnerships and each of the area's local authorities. to address this problem.

says Mr Bridge.

The team's purpose will be to identify several prime 200-acre sites – possibly straddling local authority boundaries - and ensure they have the utility infrastructure necessary to attract prestige inward investors. This objective will again test the partnership approach, aince it needs co-operation from those who will not have one of the chosen sites on their patch.

"Wa have to really concen trate our minds," says Mr Bridge, "What we need to come out of this are two or three

Total jobs

4,139 4,934 3,641 3,382 5,787 4,323 4,897 5,497 5,500 11,904 8,606

62,610

96.53 338.435

303,382 96,61

526.035 416.283

677.408

548.85

1,006.17

7,174,873

alectronics manufacturing complex, there are strong hopes this will also in time be its chosen site for European semiconductor manufacture.

However, with two semiconductor plants already and the prospect of a third, the region may find it more difficult to attract other microchip manufacturers; companies may not wish to locate near competitors, partly because of skills availability, and UK politicians will be keen to see prestigious inward investment widely distributed. Significantly, LG'a big new semiconductor and ctronics project has gone to

Raising skills levels and ensuring availability of suitable recruits is a key challenge for the north east. For all its

inward investment success, lt still bas Britain's highest regional unemployment rate. Educational aspirations remain lowest in those areas where employment is most needed.

As well as working to attract more inward investors mobile telephone manufacturers are a target - NDC is trying to ensure through its supply chain programme that indigenous companies capitalise on the apin-off business potential of inward investors,

In January 1995, it set a twoyear target of establishing 50 supply chain projects involving large companies, mostly inward investors, in the region. It has so far set up 58, which by March 1996 bad brought indigenous companies contracts worth £35m.

CASE STUDY LG Electronics

### Northern expansion

Few projects better illustrate the regional importance of reinvestment - and the wider considerations which influence it - than LG Electronics's new plant in

Washington, Tyne and Wear. A £28m development on a 15-acre greenfield, with the capacity to produce more than 1m microwaves and 700,000 televisions a year, it has superseded a much more modest operation in a former kitchen fittings factory on a South Shields industrial

In 1988, in the face of anti-dumping regulations, Korean-owned LG needed to start producing microwaves

in Europe.
It bought the Washington site from the Commission for the New Towns, but leased the South Shields factory to start production quickly. Staffed by 60-70 people, it roduced 100,000

microwaves a year. In 1994, as LG Electronics developed its globalisation policy, it reviewed its

European market strategy. Despite owning the Washington land. development there was not entomatic, says Mr Ray Couch, general manager, resources, LG's most senior and long-standing UK employee in the region.

"We were in competition with other locations," Mr Couch says. These included Ireland, France and

Mr Couch says he likes to think the South Shields' plant's good performance and the local workforce's

flexible approach tipped the balance. "It wasn't just the financial assistance. although that's an element." Support from NDC and .

other economic development bodies in the area – all keen to encourage reinvestment by existing inward investors was also very beinful to the region's case.

Opened in May 1995, the plant now employs 525 people. It has some senior Korean managers but, says Mr Couch, LG is actively pursuing localisation of personnel as well as suppliers.

LG Electronics also has a fridge-making plant in Milan and a video cassette recorder factory in Worms, Germany, but Washington is its main European plant.

There was some regret in the north east when LG chose south Wales for its new electronics complex but Mr Couch is resolutely upbeat.

There was insufficient land beside the Washington plant for the new project; LG did not want to locate very near Korean rival Samsung in Teesside and decided against a proposed Northumberland

Jo Chexal, the NDC's director of international marketing, says there was bound to be some disappointment over this in view of the region's previous Korean successes. But as she points out; "You can't expect to have every Korean

Chris Tighe

London and the south east: by Michael Cassell

TOTAL

### op European location for business

Vision, investment and government support are needed to back the

capital's role London has developed over many decades into one of the international business community's favourite locations, with one in four of Europe's biggest 500 businesses by market capi-

talisation based in the capital. Repeatedly voted the best European location for business, London accounts for 15 per cent of UK gross domestic product and boasts an impres-sive list of credentials helping to make it one of the world's biggest commercial, banking and financial centres.

The City of London is home to the world's largest centre for the trading of international securities. It leads the global

of New York and Tokyo, dominates the eurobond market and remains the world leader in marine and aviation insurance. So far so good. But there are those who believe that a dangerous complacency has developed, endangering London's international position and threatening to undermine one of the pillars upon which tha

UK economy is built. There is general recognition that efforts to promote the capital, without a city-wide authority for the last ten years, have been weak and poorly coordinated. A recent study commissioned by the government compared the capital'a standing in four sectors - financial and business services, toprism. creative and cultural industries and "power and influ-

ence"-against those in New York, Paris and Tokyo. Its verdict was that, in most

foreign exchange market ahead

exploit fully its position. to make progress.

respects, London remained top of the class but that urgent work would be needed to ensure its position was main-tained if it was to remain a

world city in 50 years' time. The study criticised the government for not taking London's potential seriously and concluded that 'long-term vision and investment" would

The doubts have been echoed in the City, where the promotion panel set up last year by the Treasury to promote the entire range of UK financial services overseas has repeatedly come under fire for failing

But there are now grounds for optimism with the emergence of a newly developing partnership between government and the private sector intendad to formulate and implement a co-ordinated strat-

Financial belp is at hand in the shape of regional selective assistance, available as a result of the designation for the first time of three areas of the capital - Lee Valley, Park Royal and Thames Gateway. Between them, these areas offer a wide choice of development sites for manufacturers and service

An important element in the strategy for economic regeneration is the attraction of inward investors, a task which falls primarily to the London First Centre, a body with the status of a government regional development organisation and charged with securing overseas investment for all 33 London boroughs, including the City of London, Westminster and Docklands.

London First Centre is working alongside several other promotional organisations in the capital notably London Pride Partnership, the body which brings together business organisations, local government, police and voluntary organisa-tions to consider economic action plans for greater London. Also active is the Joint London Advisory Panel, which brings London Pride Partnership and central government together under Mr John Gummer, environment secretary and minister for London.

According to Mr John Cox, who has just stepped down as chief executive of London First Centre: "Although London was regarded worldwida as a leading city, there was evidence it was sitting back while other centres were promoting themselves actively to companies."

"We cannot afford to underestimate the level of competition facing us from emerging cities such as Berlin, London will lose out if it does not compete and compete very effec-tively."

London First Centre - with an annual £3m budget jointly funded by local and national government and the privata sector - handles inquiries involving manufacturing and beadquarters operations. It reports that many potential investors are venturing overseas to access niche markets but their investment is often

It appears that even large international businesses coming to London for the first time are cautious about the scale of thair start-up, resulting in so-called "toe-dipping" - not committing large resources until the market is proven. The organisation believes

one key to success lies in giving special emphasis to well-defined sectors, such as healthcare and film production. Initiatives in these areas, under separately established organisations, are under way.

Mr Cox stresses that London should not be seen as competing with the regions for inward stors, rather that a stronger economy for the capital means a stronger national

His view is shared by Lord Sheppard, chairman of London First, the private sector body formed to help ful the strategic vacuum left after tha abolition of the Greater London Council and which now shares a chief executive with London First

Lord Sheppard acknowledges the existence of "regional jeal-ousy" and says London should help build a partnership with other parts of the country. He cites the decision by Samsung - the South Korean electronics group with manufacturing plant in the north-east - to move its European headquarters to London as a welcome example of "dual investment" which will be of benefit to tha



Efforts to promote London have been weak and poorly co-ordinated

He adds: "London has a responsibility to the rest of the country to be a leading world city. At the same time, the regions must both recognise and support London and resist the temptation to knock the capital. Remember, we are not competitors - the rivals for success are Paris, Brussels,

Frankfurt and further afield." Despite the new sense of

urgency and co-operation

behind the latest efforts to promote London overseas, there remain familiar complainta about a scale of resources which compares badly with those available to some of tha UK capital'a other competitors.

There is also criticism that responsibility for selling London and helping its economic regeneration is still split between too many organisations. Calls for a directly

<u>-English Partnerships</u>

elected authority for the capital bave been growing and London First itself has agreed in principle to back the concept of a "governor" for London with powers similar to those recently proposed by the

Labour party. A draft policy paper high-lights the lack of "a strong and effective" voice to champion London and make its case with government and abroad.

THE RES

THE REPORT THE

The second

4

· 私民 美 44

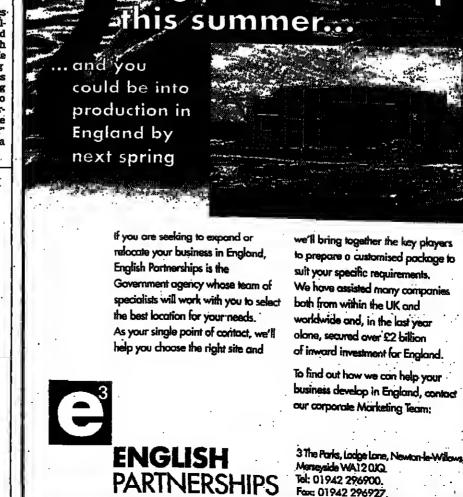
THE PERSON

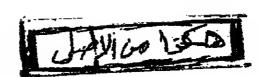


capital grants and locally available incentives.

This new hub for European business has three flagship developments offering unprecedented opportunities plus the civic determination to help new businesses prosper. The details are available from Ken Welsh on DOVER







Jorthern Expansion

THE REAL PROPERTY OF THE PARTY OF THE PARTY

that I c. ming to greater a service the Part and the same of the same China Maria Maria Victoria M. Thristing's The least of the la The state of the s

The Residence of the de Ministra in Land in Land the the die for peoply in rudused lat ma Bert of the print In 1964 on Lt. Chairmen district file afterfration of the

Had Charles

Vitables in

1 mg 450 5 5-2-12

1.025

in the many THE THE Section 1 "make my - 1500 ac 12 . . . . . 1.54 9 55 market, w \*\*\* Charles there theree 50 1 50 ME STREET, I a. ... Charles Sangah marana

The second of the last of

FINANCIAL TIMES THURSDAY JULY 18 1996

معلود دواند رواد رواد رواد و معلوه میشونی و همون دو معلود از معلود و معلود معلود و معلود معلود معلود معلود و ا



Once you've decided to move your business, you want to get on with it, without suffering endless delays. That's why it really pays to go to CNT.

We deliver a wide range of services that mean you get land and premises with 'added value' and in the most streamlined way possible, avoiding any hassles.

Just ask ASDA for instance. They acquired a site from us for a major new warehouse within 10 days of our first meeting, and were able to start construction the following day! We own our land and premises, so you can deal direct.

We have a vast range of land and premises in 19 areas around the country, and because we are a government body we can offer detailed planning permission ourselves and can also advise on grants, legal issues and connection to utilities.

Add to all this the fact that our services are free, and you'll see why you really should talk to CNT. First.

2072	
1	Fill in the coupon and send to CNT, Box 925, Milton Keynes MK9 3PF.
	Name:

Land and premises with added value.



Redditch Runcorn Peterborough

Skelmersdale Stevenage

Telford

Basildon Bracknell Central Lancashire Corby Crawley Harlow Hatfield Hemel Hempstead Milton Keynes Northampton Warrington

EU special funds for Merseyside will bring three large sites into use over the next few years

North-west England has been selling itself increasingly well to the world in the past 10 years, in spite of not always being successful when competing for investors and jobs. inward, the agency for the region backed by the Invest in Britain Bureau, has the data to

inward claimed three successes during its foundation year of 1985-86, then took nearly four years to pass a cumulative total of 50. But it achieved its century within the following two years and had more than doubled this three years later. The year just ended saw 31 new projects to bring the 11-year total to 243.

With only balf a dozen north-west projects creating more than 300 jobs initially. they have not had the sort of publicity associated with the arrival of Nissan, Fuiitsu, Samsung and Siemens in north-east England during the same I1-year period.

The north west has not won big projects mainly because it is sbort of the large sites of 200 acres or more needed for them. However, the cumulative effect of the 243 suggests the region is nevertheless one of the UK's most successful in attracting inward investment, They brought with them direct capital spending worth nearly £584m and have directly created more than 16,384 jobs. bringing et least e similar number in their wake through associated economic activity.

The year ended March 31 was particularly productive, with 31 new inward investments - or expansions by foreign companies already there. Direct capital investment was more than £117m, or 20 per

cent of the 11-year total, and the 4,244 direct jobs comprised nearly 26 per cent of those created by inward investors since

Why this success? The region's political and business leaders collectively believe it offers six attractive benefits other regions struggle to

Critical mass. Economically speaking, the region is the largest outside London and the south-east, including Scotland. accounting for more than 10 per cent of UK gross domestic product It houses about 7m people - 2.5m of them in eater Manchester and 1.3m on Merseyside - and has developed a complete range of financial and professional services for industry and commerce in the last eight years.

Infrastructure. The north west has the most complete network of interconnected motorways in the UK and more of them than anywhere else. Criticelly, the M6 and M62 - two of the UK's principal north-south and east-west routes - cross at Warrington, a few miles from the "drivingtime centre" of Britain, the Cheshire town of Knutsford. where 97 per cent of the population of England, Scotland and Wales is within a 200-mile radius.

Manchester Airport, which

986-87

1987-88

TOTAL

and has more than 20m people living within two hours' drive. The airport has more than trebled in size since 1985 and handles around 15m passengers a year. This volume has enabled it to develop comprehensive scheduled services to the US. throughout Europe, and to the Middle East and Asian-Pacific markets

Nearly all inward investors. particularly from the US, cite the airport as a principal reason for choosing north-west

Skilled labour. In spite of skill shortages common throughout the UK, the region still has a plentiful supply of trainable talent. There are four large universities in Greater Manchester, two on Merseyside and two in Lancashire, plus Manchester Business School - a postgraduate college.

■ A large expatriate commu-These additional voices clamnity. There are about 1,400 forouring for attention include eign-owned companies in the successful agencies such as the north west, including about 500 Wirral Investment Network. from the US. Inward says this which acts for the attractive helps attract others from the peninsula between the Mersey countries concerned. There and the Dee, St Helens First, which is capably exploiting a have been more than 70 new US investments since 1985. new link road between the Merseyside town and the with 25 from Japan and more motorway network, and Lancathan 20 from Germany, with these three countries accountshire Enterprises, the Prestonbased, privatised economic ing for at least 7,500 new jobs. development arm of Lanca-Grants. These are not crucial with most US executives.

Cepitel Invest

56.66

38.04 22.01

37,41 42,98 106,86

583.72

shire county council. Critical work has also been done by the governmentbacked development corporations for Trafford Park in Greater Manchester and for

who see them as marginal com-

nared with long-term market

considerations, but they can be important for some Japanese

inward investors faced with

in Europe. The north west's

best grants are on Merseyside.

which is in the middle of

spending £600m from the EU

over six years to bring its local

economy up to average Euro-

pean levels of output and pro-

England has done well in

attracting foreign investors in

spite of Inward's not being sup-

ported financially by all local

counterpart, the Northern

Development Company. Some

councils run their own promot-

Inward, but some take the ben-

without contributing.

efits of Inward's central role

ional programmes and support

All of this means north-west

The EU's special funds for Merseyside will bring three important large sites into use over the next few years - the old Liverpool Airport, abandoned when the airport moved to a hetter site and modern buildings in the 1980s, parts of the Cammell Laird shipyard in Birkenhead, and Parkside colliery in St Helens, which is on the MS motorway and only two miles from the M62.



■ Wales: by Roland Adburgham

### oringboard into Europe

The new Severn bridge should lessen the perception that

Wales is remote If confirmation were needed of Wales's claim to be a springboard into Europe for international companies, that is provided by this month's decision by LG, the South Korean industrial group, to invest

£1.7bp there. LG's project is being hailed as Europe's biggest inward investment deal yet. Its electronics factory and semiconductor plant, to be sited together at Newport in southeast Wales, promise 6,100 jobs and at least as many among supply and support companies.

Wales, in securing the project after tough competition with other regions, can state that LG's reasons for choosing the Celtic country as its European base are a summary of its

First, LG could be offered a large, 250-scre site next to a motorway. This site is within a few miles of the second Severn bridge opened last month. The crossing, which links the west of England with south Wales, minimises the delays which traffic experienced on the congested first bridge, and lessens the perception that Wales is remote from London and conti-

Second, the Welsh could was evidence that the WDA,

at up to £200m - in the form of regional selective assistance, the free provision of the fullyserviced site and training of employees. There will also bean "after care" programme and help with the sourcing of com-

In organising this support, an important factor is the so-called "Team Wales" approach, led by the Welsh Development Agency in confunction with the Welsh Office, local authorities, training and

enterprise councils. Another selling point for Wales is that wage costs are relatively low (although international companies pay above average) and labour relations are generally good. LG stressed that the Welsh workforce was well known for their commitment and productivity".

Other advantages are not unique - such as the English language. But foreign direct investment in Wales (more than 350 overseas companies are based there) has helped to foster an international outlook, Wales increasingly sees liself as a region of Europe, as well as a region of the UK (even if public opinion is divided over the merits of the Labour par-

ty's plans for devolution). Despite the merits of the Welsh "offer" to overseas companies, in recent years its share of foreign direct investment slipped. But even before

after a reorganisation, was back on track. There have been significant

recent projects. Halla, the first Korean company to come to Wales, is setting up a £17m plant to make earth-moving egnipment. A Japanese-German joint venture, Ocean Technical Glass, is in progress at Cardiff Bay, Newport Wafer-Fab, the subsidiary of Hong. Kong-based QPL, is building a second semiconductor plant. Mr James Turner, managing

director of the WDA's international division, points out that, although the global market for inward investment has returned to a growth phase. the market place has chanced. Developing countries are taking a greater share and, at the same time, there has been an "explosion" in the number of development agencies across

the European continent. "The international investor is faced with a huge amount of choice - it is a buyer's market," he says. "The market has become more competitive and more complex. To respond to that, one raises one's game plan and becomes even more professional, and that is certainly something we've done at the WDA.

That plan, he suggests, hinges upon "the ability to demonstrate to businesses that we can provide a solution to their needs, and to focus very specifically on particular com-

take their needs and present them with a solution - albeit a Welsh solution. What distinguishes the men from the boys is the whole question of daliverability - it is a case of translating promises into concrete

15 7

7.85

The WDA attaches growing importance to "after care". "One mustn't assume that just because a company has come to Wales it is there for life - it important to look after it," Mr Turner says. "The best advantage we have in attract-ing new business is the ability." to demonstrate that existing investors are succeeding here and growing."

Sectors in which Wales is successful include automotive components, electronics, food processing and aerospace. But there is a recognition that an up-skilled labour force is needed if Wales is to lure more technology-based and research operations.

Other regions, particularly after the LG announcement, criticise the amount of government aid which Wales can offer. Mr Turner acknowledges: "The ability to put together a structured financial package is a vital and integral part of the total package. But finance is only one element in the decision a company will make: A company seeking to maximise tax breaks or subsidies is not punies in particular sectors. the type of business that if "We do not set out to present" likely to be happy in Wales." the type of business that is

### Geography the crucial factor

31

Inward investment in the north-west 1985

511 726 576 1,013 1,070 1,207 2,551 2,893 1,487 4,244

mvade north-west England did so because of geography. The site for its new factory is 20 port and within two miles of the nearest motorway. For Photronics, these were crucial considerations.

The company is the leading US manufecturer of photomasks, a crucial element in making semiconductor chips. They are high-precision quartz plates containing microscopic images of electronic circuits and are used to etch circuit patterns into semiconductor

Why geography was crucial to Photronics is explained by

The latest US company to Mr Michael Yomazzo, the chief executive: "The semiconductor business is a global one where our customers use just-in-time tomasks at 24 hours' notice," he says. "The European market grew by 45 per cent last year. We could not service it

satisfactorily from the US." There was strong competition throughout the EU for the project, with the New York office of the Invest in Britain Burean handling the UK's initial contacts. The investment break out of a domestic market which - although it vielded record sales and profits of \$125.8m and \$18.6m

Call Centre?

respectively last year from plants in California, Colorado, Connecticut and Texas - was too confined to allow it to take Du Pont, as effectively as it

The result will be a £47m development in Trafford Park. Greater Manchester, which Photronics will make its base for expansion in European markets in a bid to improve on the 10 per cent world market share which already makes it the world's largest photomasks manufacturer.

"With this, e purchase in Switzerland, and new plants in Singapore and South Korea, we are going global," says Mr Constantine "Deno" Macricostas, the company's chairman. "We chose Trafford Park because of its excellent strateairport and on the UK national motorway network."

As part of the deal, Photronics has bought the photomask-ing business of GEC-Plessey. The 34,000 sq ft Trafford Park factory will create about 270 jobs, with another 33 transferring from GEC-Plessey's plant at Oldham. The £47m included the purchase figure, which has not been disclose

Attracting the business to the UK was thought important enough for it to be given grants from the government. Manchester Training and Enterprise Council and Trafford Park Development Corporation totalling £3m. Moreover, the corporation razed 20 small industrial units - built less than 10 years ago - to create a pleasant, two-acre waterside site for the new factory in

Many will see this high-tech, high-profile development. therefore, as symbolic of the regeneration of Trafford Park, Europe's first industrial

Ian Hamilton Fazey

CASE STUDY Traffec UK

### Expanding opportunities

One Japanese company in Wales began expanding almost the moment it arrived. In January, it announced a £5m project expected to create 45 jobs. Last mouth, it announced it was increasing its investment to £7.3m and would need a larger factory and more employees.

The company, Traitec UK, is a subsidiary of Shimizu Industry and is the first Japanese manufacturer to set up in mid Wales. It makes plastic products, principally for the automotive industry, with one of its main customers being Nippon Denso's components plant at Telford, Shropshire.

At the start of the year, Traltec made a temporary move into a 13,000 sq ft factory at Newtown, Powys, while plans were drawn up for a permanent, purpose-built factory. Traitec had intended

to have a 25,000 sq ft plant but decided to accelerate its expansion programme. Work has now started on a 51,000 sq ft factory which is being built for Traffec by the Development Board for Rural

The park, Buttington Cross at Welshpool, has already attracted two other foreign-owned manufacturers, Wipak UK of Finland, which makes packaging film for the

fresh food industry, and MVO of Italy, which makes plastic components for computer printers and photocoplers.

"We are very pleased with the way Traltec has begun its operations in rural Wales," said Mr Tadashi Shimizu, resident of Shimizu Industry He had also been pleased with the speed at which its project had been handled. "It is quite remarkable that the DBRW has found us premises, come up with plans for a new factory and a grant has been processed in just 10 weeks from our initial inquiry," he said at the time. DBRW director east, says:

contact with us, they will be in production in the new plant. We are increasingly finding that, in terms of competing for projects, speed gives us a very strong competitive advantage. If we can put projects together quickly, we can win them. Other things have to be taken into account, but once a company has taken a decision. It wants to move very quickly." Mid Wales, he says, has the advantage of offering rapid links to both Manchester and Birmingham

"Within 12 months of the first

Makazana ya ka

医细胞点

Roland Adburgham



### ....call Northern Ireland we're the best people to talk to

As a location for your Call Centre operation, Northern Ireland offers the most highly educated staff in the UK, lowest start up and operating costs, purpose built accommodation at competitive rentals, the most generous financial incentives and a stere of the art relecommunications infrastructure.



The Industrial Development Board for Northern Ireland 64 Chichester Street BELFAST BT1 4JX Tel: 01232 545267 Fax: 01232 545000

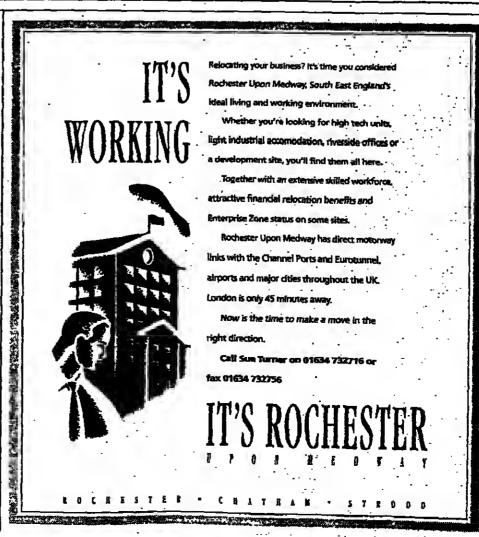
The Industrial Development Board for Northern Ireland Berkeley Executive Centre 11 Berkeley Street LONDON WIX 6BU Tel: 0171 493 0601 Fax: 0171 499 3731

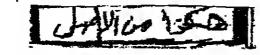


### One day I want to work in the City

The kid's got style, he's got vision, he'll go fac. Maybe even all the way to the City of Bradford.

To find out how bright your future in Bradford could be counset: The Inward Investment Team, Economic Initiatives Division Mencury House, 4 Manchester Road, Bradford, England BD5 0QL one 44-1274-754267 Fusimile 44-1274-393426





### 'aiwan closes an important gap

the Rosyth naval base.

But there were also a num-

ber of smaller arrivals by US

electronics component makers, while established Japanese

companies such as Shin-Etsu

Handotsi, which makes silicon

wafers, and Seiko Instruments,

making tiny printed circuit

boards for watches, expanded

continues to

receive a steady

accounted for three quarters of

all new inward investment in

Scotland in 1995-96 - a figure

electronics

Scotland

stream of

investment

Locate in Scotland claims that 1995-96 was another record vear for inward investment

I RADAL WIANT

تو بند و

......

2 . . . . . . . .

and the real

.....

-

---

100

77

m Seet

d distance AM. THE

I B US THE TO MAKE

74. 44 A

Section 2017

the Bearing

marine the

\*\*\*\*\*

1. 1. 1. 1.

A STATE OF

Sec. 1. 1852

And And

CHARLE W

and heart to

# # A.

ALCOHOL: W

10 Acres 1

-

-

.....

Him make

THEFT

the waste

is a many

17.7

100

AND THE TOP

V2 4

. . . . . .

Last year it was Scotland's turn to achieva an inward investment spectacular. A few months after Siemens, the German electronics company, had announced plans to set up a semiconductor plant near Newcastle, the Chung Hwa Picture Tube company of Taiwan and the Scottish Office made their

own joint announcement. Chung Hwa would set up a plant making cathoda ray tubes for televisions and computers at Mossend in Lanarkshire, involving capital expenditure of £260m. The project is expected to create 3,300 jobs over the next four to five

What made the Chung Hwa investment particularly satisfy. ing for Scotland was that the number of jobs involved was roughly the same as those lost in tha closure between 1990 and 1992 of British Steel's Ravenscraig steel complex. also in Lanarkshire, Furthermore, the project will fill an important gap in the product line of component suppliers in

Silicon Glen, the Scottish elec-tronics industry.

Scotland continues to receive a steady stream of inward investment. Locate in Scotland, the inward investment agency which is a joint operation of Scottish Enterprise and the Scottish Office, recently ned that 1995-96 had been another record year. It achieved its highest ever figure for the number of planned jobs that would be created or safeguarded by investment from outside Scotland, a total of

12,500. The number of planned inward investment projects in the financial year fell, however, from the 1994-95 figure of 97 to 84, and the total planned investment was slightly down at £981m compared with £1.12bn in the previous year.

The figures are only a rough guide because they are compiled by adding up the planned investment and employment totals stated by the investing companies. The Scottish Office regularly warns that a few projects may not go shead and others may be scaled down. Among the larger invest-ments which Scotland secured

last year was a £26m project by

Lexmark to make computer

printers at Rosyth in Fife, bringing an eventual 500 jobs

roughly in line with previous years - there were also investment decisions by companies in sectors such as chemicals, engineering and food and drink, some of it from UK com-

their plants

Although

The process continues: in May Mr Michael Forsyth, Scottish secretary, announced in Secul that the South Korean company Shin Ho Tech would set up e plant in Glenrothes to

to an area hit by the closure of make computer monitors Mr George Kynoch, the Scot-

tish industry minister, attributes Scotland's inward investment success partly to the professionalism of Locate in Scotland which provides a onestop shop for companies interested in coming to Scotland. Like the Welsh Development Agency in Wales, LIS has an advantage over parts of England which are less able to co-ordinate the operations of

However, there have recently been suggestions that the Treesury is unhappy that these two well-established agencies may waste money by attempting to ontbid each other with aid packages and other benefits to

local government and local

development bodies.

attract companies. The supposed threat to Locate in Scotland produced a predictable closing of ranks, with Sir Donald Mackay, chair-man of Scottish Enterprise, saying that "the independence of LIS will be stontly defended".

Tha Invest in Britain Bureau, an offshoot of the Department of Trade and Industry, has made little secret of its wish to centralise the UK's initial approach to potential inward investors and leave the regional agencies to find

them a home and look after established investors. But the Scots believe it would be diffi-cult for the IBB to match the professionalism of the main regional agencies.

A more potent threat is posed by competition from Ireland which continues to gain incoming companies at the expense of Scotland. At the end of June, International Business Machines decided to expand its telephone-based customer service operation for

Of the 950 jobs this will create, some 700 will be in Ireland, with the remainder going to IBM's plant at Greenock in Renfrewshire.

Scottisb Enterprise and the Scottish electronics industry have been conducting a long campaign to persuade the government to alter the rules governing regional selective assistance to make it attractive for companies to locate design and development operations in Scotland.

These operations would not initially create many jobs but would, it is argued, raise the quality of jobs in the industry and embed the plants of inward investors more firmly in Scotland. However, the government has so far said it does not propose making changes.

PROFILE

George Kynoch

### Salesman for Scotland

The briefest flip through the latest report of Locate in Scotland leaves one in oo doubt about the identity of the Scottish office industry minister: George Kynoch's face appears on 13 of its 32

His photograph is almost always taken when inward investments to Scotland are empounced. But in the case of Chung Hwa, the biggest inward investment Scotland has ever won in terms of jobs, Mr Kynoch was involved

being catapulted from the back benches to ministerial office, Mr Kynoch was asked at short ootice to host a dinner in Edinburgh for senior executives of Tatung. the Taiwanese parent of Chung Hwa. "It meant getting myself slipped from a three-line whip at Westminster to fly up to cotland," he recalls.

Having frequently visited

In early 1995, shortly after

Japan in his business career with the formerly family-owned textile company G & G Kynoch, he knew the importance of developing "good personal relationships with the people you are working with".

Though Scotland's inward investment effort is a partnership of the Scottish Office, Scottish Enterprise, local enterprise companies and local authorities, it was necessary in an important case such as Chung Hwa to show that "the governm was involved from the ton"

in late summer Mr Kynoch was paying one of the UK government's limited ministerial visits to Talpei. A deciston by Tatung was imminent and he led the Scottish negotiating team. After a time he asked Mr C.Y. Lin, a member of the

family that owns Tatung, to take him round some of its factories while the negotiators hammered out



George Kynoch: a bit of marketing and a bit of diplomacy

detaits. When the twu returned the Talwanese said that they had chosen Scotland, subject to som cooditions.

Looking back, he says: "! suppose you could call my role a bit of marketing, a bit of diplomacy and a hit of chairmanship. When you are un against stroog risal assistance packages from other inward investment locations, to see the UK sold hy a minister can be very Important.

James Buxton

#### CASE STUDY Mann & Borone!

### Midlands beats off rivals

On the global scale of international investment, the £12.5m plant beginning construction near Wolverhampton is hardly large. But it is a mark of the intense competition surrounding inward investors that more than 25 sites across the UK and continental Europe were seriously considered before Mann & Hummel, the German car component manufacturer,

which will create more than 150 jobs in Hilton Cross near South Staffordshire, is Mann & Hummel's first investment the UK. H beat more obvious competitors such as an expansion of the company's

settled on the Midlands. The 11-acre air filter factory,

existing factories in Spain.

eastern Germany and the Czech Republic,

Hilton Cross also faced competition from several sites in the UK. South Yorkshire. the North East and the East Midlands were all strong contenders to attract the company, which is based near Stutigart and claims around . half of Europe's market in car air filters. However, the West

Midlands' package of assisted area status, low labour costs and its large automotive industry, provided a strong overall argument to beat its rival sites. Mr Jurgen Gabriel, of Mann & Hummel, said: reasons for choosing this site is the communications with our customers. We have a policy to be nearer to our

customers and to go where they are.

"But another important reason is the lower costs, particularly labour costs. In eastern Germany, for instance, we think the gap between labour costs there and in western Germany will shrink faster than the gap between the UK and Germany overall.

Leading the bid to attract Mann & Hummel, West Midlands Development Agency reassured the board about the region's industrial skills by arranging meetings with other German investors. It was in discussions with Instruments in Birmingham that Mann & Hummel became convinced that issues of

productivity and recruitment

would not cause problems for the new plant. The overall package offered

by the West Midlands includes training assistance from Wolverhampton Training and Enterprise Council, But It also takes advantage of the new Regional Supply Office, which will source components such as air filter casings and plastic injection mouldings from local suppliers.

By next spring, when the plant is due to begin production, Mann & Hummel hopes to have begun work on further plans for inward investment in the region.

Mr Gabriel said: "This is stage. It is possible that we will expand this factory."

Richard Wolffe

NatWest is locating a £5m

customer service centre in

Wavertree Technology Park.

Liverpool, with 400 jobs, of

which 100 will be new. Intrum

Justitia, the European credit

services company, is also set-ting up a call centre in Liver-

In manufacturing, newcom-

pool, creating 100 jobs.

Midlands: by Richard Wolffe

### Big projects elude region

Behind the headline figures are concerns that the Midlands is falling behind its rivals

By its own admission the Midlands has been relatively slow to respond to the fierce competition over inward investment into the UK. In spite of its traditional strengths in manufacturing, as well as its ability to call on government and EU grants, the region is disappointed by its record of securing success with foreign investors.

At first glance the figures seem ancouraging. The West Midlands attracted 76 lovestyear, creating a record 7,000 jobs and safeguarding another 4,400. It consistently wins around a fifth of all new direct investment in the UK, amounting to more than £4bn of investment over the last 10

But behind the headline figures are concerns that the region is falling behind its UK rivals. Of the 76 investment projects in the West Midlands, just 13 represented new companies and the average size of each project remains small at around 96 jobs each.

in the East Midlands the figures are more disappointing. In spite of having one of the largest manufacturing sectors of any region, the East Midlands attracts just 5 per cent of inward investment compared to its production of around 7

per cent of GDP. In its recent studies of regional competitiveness, the Confederation of British Industry highlighted both regions' shortcomings in winning inward investment - particularly large projects. The CBI said both the East and West Midlands were struggling against a lack of support

Mr Chris Tillett, principal of Coopers and Lybrand in Birmingham and one of the authors of the CBI study of the West Midlands, said: "Wa believe that large projects are important to the region to sus-tain the manufacturing base. It is our view that we are still failing to attract our fair share

within their own regions.

of a lack of co-ordination between those leading bids." Meanwhile, in the East Mid-

lands, the CBI reported conflicts between local authorities. training and enterprise councils and the private sector. The CBI said that the first two years of the East Midlands Development Company (EMDC), established to attract inward investors, had been uncomfortable as there had been confusion between different agencies.

The result has been a lack of resources in both halves of the Midlands to compete against other regions in the UK. West Midlands Development Agency (WMDA), for instance, has an annual budget of around £1.1m than equivalent organisations around the country. Its Regional Supply Office, which aims to source suppliers to inward investors within the locality, has a further £400,000. By contrast, the Regional Supply Office in the North West has a budget of £1.4m on its

OWD. Both Midland regions say they are restricted not just by limited funding from central government but also a squeeze on contributions from local authorities and the private sec-

Mr Paul Richards, chief executive of WMDA, said: "Our real problem is that even among the English regional development agencles, we are quite small given the industrial strength of the region and the number of inward investors there are here."

The lack of cash leads to something of a vicious circle. The low level of funding causes inadequate co-ordination and marketing, which in turn means the region fails to marshal its funds towards attracting investors. Many in the private sector - particularly those be convinced that winning inward investment can provide tangible benefits to their own trading, rather than merely giving foreign competitors a footbold in their own back-

vard. The result is that inward investors miss the industrial logic of siting their projects in a region which is at the heart of UK manufacturing - as well as its transport network - and can offer the research and development resources of more than a dozen universities.

Larger investors are also missing the Midlands because of a simple lack of space. The region is still smarting over Siemens's decision to locate its £1.1bn semiconductor plant in mens was close to investing in the region, but the only site large enough to accommodate the plant suffered from vibration from a nearby railway line.

Since then the region has identified two greenfield sites which could provide the space for large inward investors while still qualifying for assisted area status. Philips, the Dutch electronics group, is considering a site to the north-east of Birmingham, and there are thought to be half a dozen similar projects looking to build factories in the UK's regions within the next two

years. The attraction of a large investor is not simply the impact on employment. Such high-tech projects would be a welcome diversification for the Midlands away from its old metal-bashing image, and would act as a catalyst for high-tech investment by indigenous manufacturers.

But before the Midlands can win such high profile projects. it must first overcome the inevitable controversy of developing green belt land in what areas. Political opposition is aiready mounting to Philips's proposed site, at Minworth and a second site north of Wolverhampton,

Instead, the West Midlands has had more success in attracting larger investors to Its traditional area of strength the automotive sector.

Jaguar is expected to create 1.300 jobs itself, and a further 5.000 among car parts suppliers after confirming earlier this year that it will build its new X200 saloon in Birmingbam. While the £400m project was clinched by the government-backed ald package of \$50m. the investment was also a reflection of the revived fortunes of car production in the

For the East Midlands, which is unable to rely on such a wide access to government grants, the challenge is even greater. Just one third of inward investments in the region have a grant attached to them, so the marketing drive must instead concentrate on the husiness case for locating

For example, the region points to UPS, the US logistics company, which decided to invest £1.7m in a telephone operations centre in Nottingbam last year, creating 300

Mr John Finch, chief execu-

tive of EMDC, said the region was currently identifying other key sectors - such as food processing - which could lure investors to the region for its industrial strengths rather than the depth of its pockets. "Development organisations in the past have got a hit grantdependent," he said. "Instead of talking about sites und grants, we have to explain that the Midlands has superb business opportunities, in its location and its supply chain net-

work for instance.

### ■ Merseyside's renalssance: by Ian Hamilton Fazey

### more likely to follow.

Merseyside is at last beginning to make progress in restoring its reputation

Merseyside has started passing the acid test of confidence - inward investors are putting their money into a conurbation that until recently was such a no-go area it never even made the initial list drawn up by those choosing to relocate.

For much of this century. Merseyside has been blighted by structural decline in its manufacturing economy. To make matters worse world trading patterns changed and a

3

 $\circ$ 

revolution in shipping and stevedoring technology wiped out thousands of jobs in and around the Port of Livernool.

The Toxteth riots of 15 years ago gave the world a lasting, impression which was not good, and the Militant-controlled Labour Party's confrontation with the second Thatcher government during 1983-87 left Liverpool in debt to foreign banks, politically unstable, and seemingly ungovern-

After years of struggling to restore equilibrium, however, Liverpool last year made the short list for Siemens's naw microchip plant, losing narrowly to Newcastla upon Tyne in the final round. It was no

Norfolk is a County of contrasts. A vibrant local economy

ant and relocation. The City of Norwith, one

of the UK's premier cities for high quality office

ation, is adjacent to the Norfolk Broads and the

Quality of life in Norfolk is unperelleted and the County enjoys

virtually all European destinations.

expellent road, rail and air links to markets in Europe and the rest of the UK. Electrification of the County's main rail lines has strengthened Norfolic's links with Landon and Norwich Airport

th scheduled domestic and international services via Schipol, Amsterdam, the world's fourth busiest Airport. A key part of Norfolk's transport infrastructure is its ports Great Yarmouth with its exciting outer harbour plan offers the UK's shortest sea route, to Northern Europe and the Baltic States, while King's Lynn handles chartered vessels from

Norfolk's workforce, noted for its fleefallity and excellent industrial relations record, has bistorically serviced the

natural, textile and food processing sectors. In recent years

kry, biotechnology and healthcare, ensuring Norfolk is well placed for future development. Norwich, in particular, is set to

elopment of the Norwich Research Park, which houses

To find out more about the County that is

Telephone +44 (0) 1603 222725

Fex +44 (0) 1603 223345

Open for Business contact Julian Compbell,

Business Development Offices, Horfolk County

Countil, County Hall, Moratch, Norfolk Hit! 256.

this sisils base has been expanded into new growth areas such as financial services, hi-tech remoufacturing, the off-shore

benefit enormously from the planned Technopolis project and

some of Europe's finest food research and genetics institutes.

blends with beautiful countryside to offer a unique location for

inward investments has since proved

Merseyside is scoring in customer service and call centres, manufacturing, offshore oil and gas, retailing, warehousing and distribution. Mr Neil Rami. marketing manager of the Mersey Partnership of public and private sector activists, says 120 inward investment projects have been recorded in the last

television shopping channel is investing £14m in building a 125,000 sq ft fulfilment hou and 50,000 sq ft call centre at Knowsley, Liverpool's neighbouring borough. It will create an initial 1,100 new jobs, with

COUNTY COUNCIL

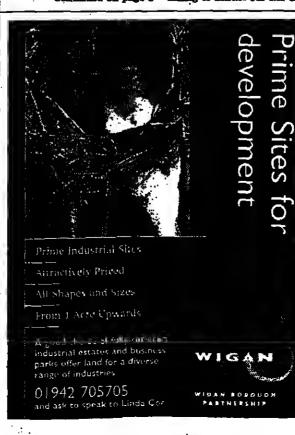
12 months. For example, QVC, Britain's

ers include Mackie Automotive

Systems, which has opened a factory in the former Cammell Laird Shipyard at Birkenhead to provide just-in-time supplies of head linings, carpets and bumpers to Vauxhall's plant at Ellesmere Port. Meyer, the Hong Kong cookware manufacturer, is also relocating its UK operations to Birkenhead, this time to Twelve Quays, a waterfront site near the town centre.

Other incoming manufactur-ers include Raybestos, which makes brake linings, Williams & Jones, a Taiwanese fork-lift truck maker. Lea Green Services, a packaging company, and Philips Wilkinson, which produces advanced computer-

Continued on page 8





You can now access the Lincolnshire Heartlands by road, rail, air, sea and P.C.

"Hard Facts on Software" contains everything you could possibly want to know about the Lincolnshire Heartlands, from current sites to workforce profiles to information on

If you want to expand or relocate your business, or your chem's business to an area with a great future, you can get a free copy of this disk by calling us on 01522-564460 Alternatively, you can fax us on 01522-540086.

Campaign Office, Beaumont Fee, Lincoln LN1 1DJ.

for

br

sit

th.

bei:

ing

lnv

Bri

pro

ne:

mc

m

OFSHORE

BERNUDA

LOCAL BUY SILVER

200

WERNSEY

SELLATE CO

### **Uncertainty clouds future**

For 25 years, Northern Ireland has had a tough task competing with other locations

Violence has returned to hamper the efforts of Northern Ireland's Industrial Development Board just at a time when it seemed the authorities were winning the battle to lure foreign investment back to the

The region had its best year in attracting foreign direct investment in 1995-96, buoyed by a new level of international interest in the province following the announcement of the paramilitary ceasefires at the end of 1994.

However, the future looks far from certain with the resumption of the IRA's terror campaign and the recent unrest, although the impact has yet to show through in the behaviour of foreign companies.

Throughout the 25 years of the Troubles, Northern Ireland has had a tough task compet-ing with the other UK locations and with the Irish Republic in the battle to attract new inward investment

A survey in April by accountants Coopers & Lybrand showed that 84 per cent of companies locating in Northern Ireland had considered alternative locations. The survey suggests the main attraction was not the generous grants on offer but the availability of a pool of labour, and the high skills levels. Although investors complained of transport and energy costs, the survey said actual operating costs were "significantly less" than investors had expected.

Northern Ireland, with only 3 per cent of the population,

attracted a creditable 9 per cent of the new lobs promoted in the UK in 1994-95, according to the Coopers survey.

The IDB is targeting hightechnology sectors, such as electronics and data processing. But the IDB chief executive, Bruce Robinson, says more traditional areas such as textiles and car components are also seen as offering growth potential.

The IDB provides generous grant support, up to 50 per cent of capital costs to some of the more economically-depressed areas. With unemployment running at around 11 per cent, there are few labour constraints. In addition, Northern Ireland, as part of the UK, offers investors the advantages of lower social costs because the UK has not signed up to the Social Chapter of the European Union

The UK's competitive wage structure makes it an attrac tive platform for companies looking to sell into the European Union. "It is our perception that Brussels treats European and Asian companies differently. We see a discrimination, and felt we needed a European presence to avoid that," says Mr Hoon Lee, chairman of Dae Ryung, a small Korean electronics company which announced a £17m investment to make television satellite receivers in Craiga-

High profile visits by both the prime minister, John Major, and the US president, Bill Clinton, have done much to raise the awareness of the province's potential. The president'e support for the province's investment efforts helped allay US business concerns about the allegations of anti-Catholic bias in Northern

Ireland employment policy,

suaded a lot of US corporations

from coming to the province. According to the IDB, there were 35 new investments by foreign-owned companies in 1995-96. Together these projects are expected to create more than 4,800 jobs.

They included a £113m joint venture hetweeo Emerson Electric and Caterpillar to make diesel generators; a £142m expansion at Montupet, the French-owned car components manufacturer which has set up in west Belfast near the peace line separating Protestant and Roman Catholic areas; and a £7.86m investment hy Fujitsu, the Japanese electronics company, to make telecommunications equipment at the Springvala atte, also in

US companies remain the largest source of both new investment and expansions. and cover a range of activities from Copeland Corporation which announced a £33m investment to make refrigeration parts in Cookstown, to Seagate Technology, which is expanding its Derry operation where it makes read write heads for disc drives.

there has been a 60 per cent increase in investor interest from the US, which they hope will translate into new investment commitments. The province has attracted a number of the established US names. Du Pont, the US chemicals firm. was one of the first foreign investors in the province. arriving in 1957. Ford has a car assembly plant outside Belfast. But the ere are also signs of increased interest from the east where the IDB has been

making a concerted marketing

effort in recent years. Since

1988, Nortbern Ireland has

IDB officials reported that

three of them since the paramilitary ceasefires - with total commitments of more than £100m and the promise of more than 2,000 jobs. in March, the IDB announced that Daewoo. the Korean electronics firm planned a £14.8m expansion at its Antrim audio equipment

Daewoo's presence has been number of smaller Korean ern Ireland, Mr Frank Hewitt. investment, says investors often follow the herd instinct. "When one comes, they all come. But momentum is important. Companies don't like to be pioneers."

manufacturing plant, creating 330 jobs. instrumental in persuading a companies - some of Daewoo's suppliers - to come to Norththe IDB deputy chief executive in charge of foreign direct



The visit of President BIR Clinton to Northern Ireland last year did much to highlight the province's potential

South west by Roland Adburgham

### desirable destination

The West of England Development Agency was launched last year to sell the area

to the world South-west England is known within the UK as one of the most desirable parts of the country in which to live and work, as sbown by its high

rate of inward migration.

In the past, its relative prosperity and low unemployment, and company relocations from within the UK, caused the south-west to see little need to promote itself. That attitude has changed, it wants to be recognised as an equally desir-

able destination for foreignowned companies, and one which is well positioned to act as a European "gateway".

One benchmark of this was the launch, last autumn, of the West of England Development Agency (Weda), backed by the government's Invest in Britain Bureau, and with the brief of "selling" the area around the world.

This agency, in fact, does not represent the whole region. which is divided into two distinct parts. The west of England, with its regional capital of Bristol and the counties of Wiltshire, Gloucestershire, Somerset and Dorset, has rapid access by motorway and train to London. The far south-west

Plymouth as the dominant city, lag behind in economic terms. Cornwall, especially, has suffered from its peripheral status and changes in its traditional industries of agriculture, fishing and tourism.

As a recognition of their special case, those two counties have their own loog-established agency to woo foreign companies - called Devon & Cornwall Development International (DCDI). It was not until the recent recession, coinciding with the contraction of the region's enbstantial defence industry, that the whole south-west realised it needed to be more positive to

attract investment. DCDI has had notable sucesses - attracting companies such as Toshiba and Kawasaki of Japan and Northern Telecom of Canada. In the west of England, there are substantial operations such as those of Hewlett Packard at Bristol. Swindon in Wiltshire, with its proximity to London and Heathrow airport, has many foreign-owned companies, including Honda of Japan and

Overall, however,

Motorola of the TIS

region'e share of UK foreign opment agency has launched direct investment has been low. In the past financial year, 4,800 jobs were created or safeguarded - only 5 per cent of the UK total.

There is a variety of reasons. Inter-county rivalries undermined the promotion of a regional strategy. Relocation by UK companies in the 1970s and 1980s, especially those in banking, insurance and financial services, helped to mask job losses in declining indus-

In turn, the government saw limited need to upgrade the transport infrastructure or to provide grants to attract companies. Regional selective assistance is only on offer in Cornwall. Devon and south-west Dorset. DCDI has a fraction of the funding of the Weish Development Agency, as

Weda itself has grown out of a clutch of initiatives for oconomic regeneration which the public and private sectors have formed in the past few years, in response to the need to create jobs for a rising workforce. Bristol, for example, has its Western Development Partner-

has the new agency, Weda. ship. Gloucestershire's devel-

an "ambassadors" programme. recruiting more than 100 business people to extol the county'e merits through their over seas contacts.

Somerset's agency is seeking to capitalise upon its business parks along the M5 motorway. Devon and Cornwall have the Westcountry Development Corporation and Cornwall has a promotional programme called In Pursuit of Excellence.

The result is that there are now too many organisations, some competing with each other, to allow the region to project a clear identity. The Confederation of British Industry in the south-west has called for "outdated wrangles" to be put aside.

It states: "All the bodies involved in economic development within the region must co-operate towards a common end ... The existing lack of regional identity must be countered.

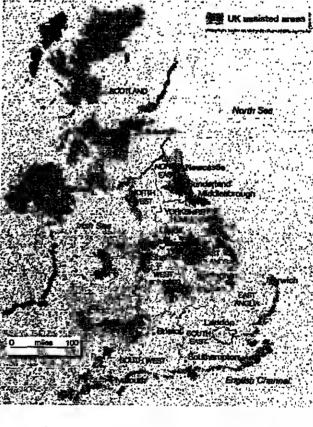
As an umbrella organisation with limited resources, Weda faces a tricky task of co-ordination if it is to help achieve that aim, Bnt Mr Peter Connor. Weda's chief executive, is optimistic: The west is very much starting to think and act as a region." He sees it as a "riviver region", with good telecommunications and universities and strengths in financial services. advanced engineering, food and drink processing, and multimedia. He believes it can capitalise upon these strengths through global networking

The west," he says, "can play a very strong card - It has high skills, high technology industries, high quality of life

plus the proximity to London." Economic forecasters tend to share the confidence about the south-west's prospects. There are signs, too, that internations ally the region is becoming recognised as a place with atrong growth potential. An indication was the takeover last year of Sweb, the regional electricity generator, by the US

utility Southern. What is also clear is that insular attitudes are being. ahandoned.

When the CBI asked husiness people in the region what they considered to be the main priorities for its future competitiveness, they put promotion of inward investment at num



### Polish for a tarnished image

Continued from page 7

controlled tools. Two big changes are under way as far as economic struc-

ture is concerned. First, Mersey Docks and Harbour Company is back from the dead, with a highly mechanised Port of Liverpool nanned by a new stevedoring workforce recruited and

trained after the old one was

sacked almost to a man in a

dispute last year. The port was

already making highest ever profits on record annual throughput of 30m tonnes of The second change this year has been BHP's commencement of oil and gas production from several medium-sized fields it found in Liverpool Bay

four years ago, a development

which has cost the company more than £1bn. Merseyside has had only modest amounts so far - £75m spent with local companies - but this is expected to mount towards a steady £3.5m a month over 20 years as local expertise in servicing the sector improves.

With the oil and gas fialds' supply depot in West Hornby Dock, Bootle, and the helicopter base at Liverpool Airport, the development of the new industry has given a fillip to some lesser-used dockland and the greatly under-used airport,

which struggles in the shadow of Manchester's Ringway, 25 miles away. Indeed, the latter is as much Merseyside's local international airport as of anywhere else in northern

England. In warehousing, the area has attracted Morrison's national distribution centre to the site of the former Parkside colliery in St Helens, and the food wholesaling subsidiary of Booker to a site between Liverpool and Warrington. In retail, PriceCostco has opened e new membership warehouse club in

Liverpool city centre. A steady drip of government and EU help - which has now become a torrent - is one factor hehind this turnaround. Merseyside Development Corporation has spent 15 years rescuing the Mersey waterfront from dereliction, but a much wider area is now half way through spending £630m of EU catch-up funding over six years, awarded after average gross domestic product a head dropped below 75 per cent of

the EU average. Part of this has gone to the Mersey Partnership of public and private sectors for an image campaign stressing Merseyside'e depth of talent. The partnership, however, is in

itself a big edvance. Past political instability forced the private sector into hiding; its participation now in promoting Merseyside testifies to the improvement in the gen-

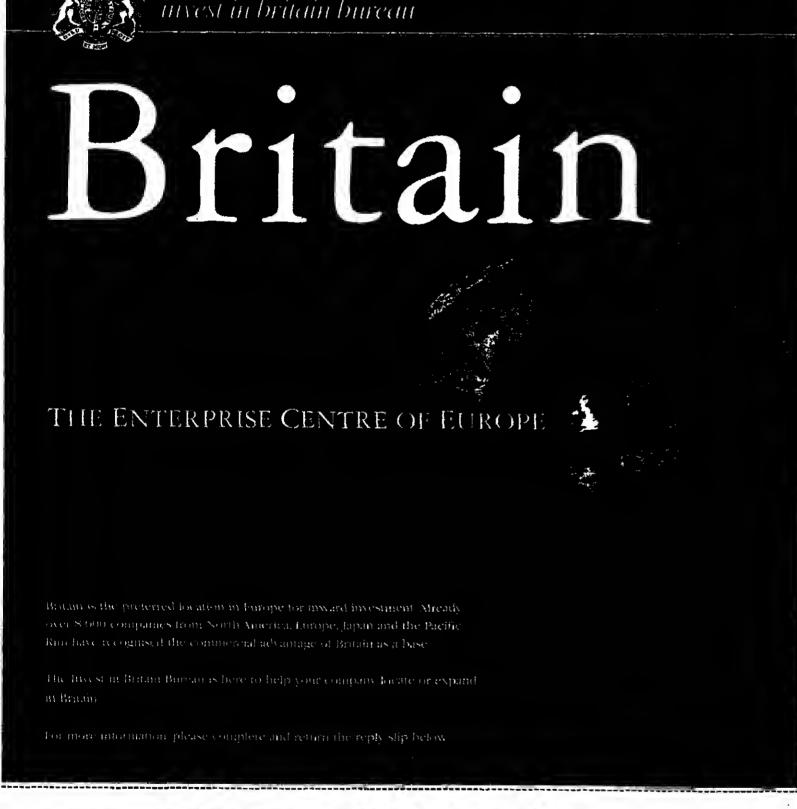
eral climate for business. Mr Rami says research has shown a 50 per cent improvement in national busin ence awareness of Merseyside's strengths since its campaign began, with an 18 per cent gain in positive perceptions. It ans more investors will at least look at the area rather than reject it unseen.

Merseyside is still getting some bad press, however. A spate of gangland shootings brought predictably lurid coverage by some London journalists with poor local knowledge. Mr Peter Davies, Liverpool city council's information chief, claims its gun-crime problem is not as bad as London's.

Meanwhile, the dockers sacked by the port last year - they refused to cross an unofficial picket line - hava generated coverage reminiscent of Merseyside's bad old image as a bastion of intransigent trade unionism.

Many lu the husiness community active in promoting the area, however, believe this has, paradoxically, been a good advertisement.

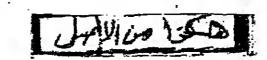
The port is now doing even better proving, they say, that even on Merseyside a determined management can passing the acid test.



Please send more information about how my company	ny could gain a competitive advantage by investing in a UK lecation.	
Name	Company	· · · · · · · · · · · · · · · · · · ·
Address		
Telephone		
Patent ou Andrew Course Chief Daniel		

Invest in Britain Bureau, Department of Trade and Industry, 1 Victoria Street, London SW1H GET, UK.

Telephone: +44 (0)171 215 5661 Fax: +44 (0)171 215 5651 Internat http://www.dti.gov.uk/ibb E.mail: andrew.fraser@dtiiibb.gov.uk



Offshore Funds



There are a second and a second a second and a second and a second and a second and a second and

SERVICE TO SERVICE STATE OF THE SERVICE STATE OF TH property was a second Mark State of the Control A Section HAY LATER WATER A CO. C. 

Principal Control of the Control of man decrease of the pro discount of a contract \*\*\* THE RESERVE AND ADDRESS OF September 1997 大学 100mm Street File. with the last owner. Water Water Control the same of the sa S. Historia **新**秦河南北京 5 11. 🗯 🚁 ranga da katalan 19 🕡 of the market and the A Comment MAN TO STATE OF THE STATE OF TH 1 4 A Water Page ai + 3 · 4 · Mark . the state of the state of the state of ---THE PARTY OF

	_			_	-
● FT Cityli	ne Un	it Trus	t Price	s are	ave
OFFS AND	HC	RI	E		
BERMI					
(SIB RE	COG		ED)	+84	Tipid
Fichelity Corneg Festionies Hall to	_		Phil		Tield Bra
Fishelity Courses Parthroles Hall, Pa UK Proj Adriano 680 Pristo Classo 680 Fisso Cross 649 TX AS Appus assessed	00 41438 414161 32 77737			y: 01534 382 250- (652) 84	06230
AS ACCUSED.  CS ACCUSED.  OF ACCUSED.  ECU ACCUSED.		0431.5	25	+0.000	045 120 120 170
HY Access 145 Access Lin Access 125 Access		FF-684.6 HR\$120 1234 NZ430.0	105 100 163 147	+0.04 +0.04 +15 +0.07	2.50 4.20 8.30 8.30 8.30 3.30
SB Accust SPIR Accust E Accust SPIR Accust SPIR Accust SPIR Accust SPIR Accust USB Accust		5525.1 Par250 F12.5 S01116 6529.3	1861 . 1846 . 1866 .	+120 +120 +120 +120 +120 +120 +120 +120	器
Yen Accoun		1368 1368 1368	94 9.7 17	+0.005	1.00 4.40 0.15
EGPebores	tricities the Desire	\$15.43 \$14.13	75.27	+0.70 +0.07 +0.07 +0.04 +0.52	2780 5.83 2.78 7.70
Marriagon (2). Horth American Discussion Tiger (M. Strant Con	=	C\$23.12 \$17.79 \$18.04 \$17.60 \$17.50	24.29 14.39 30.03 14.59 14.59	\$4858	7.79
Newport Invest 00 had St. PO Sur Nr: 0171 338 8866 Npt. Pacific Npt Pacific	tment   : HM 336			du (148) 7 +100z	0000
Mespert Tiger Fd Mespert Tiger Fd Orion Fund Lin 9 Fund SL, Harain		\$4.51 \$2.90 \$6.85 \$4.41		(146) 7 +800g +800g +8006 -0.812 -8.0140	Ξ
UNE 38 11	_	\$27.10		41 582	8370
BERMI (REGUL)	TE			•=	Tidd
Barrogada inti 1 Ancher leti Jul 0, Bille leti Garroney J					1.35
Ancher Jud Jul () Ancher Jud Jul () Bob hali Garwerey Betanete Bearl For (JED) Cap Jul 10 (JED) has Jul 10 (JED) has Jul 10 (JED) has Jul 10 (JED) has Jul 10 (JED) has Jul 10	10	10.64 10.61 9.79 1017.35 118.52		111	e.00
US Dodler Cup Jul 1		ort2 ta 1 18.52 11.95 11.95 7.58	2.376 10.77 2.126 11.78	11111	6.46 6.25 16.43
Steriengs Jul 10 ECU Jul 10		23.47 15.86	23.05 15.56 15.35 17.30 9.91 16.38	1111	=
Supposes Jul 10 Estoposes Jul 10 Pricitle Flora Jul 10 Risposels Matthy Fo	=	213.30	40.00	1111	1000
Deutschmerk		\$11.3 DM11.1 E11.5 \$12.21		-	1250 6000 4100
UK Beer UR General US Beer US Beer		\$12.21 \$1.466 \$13.73 \$13.61 \$7.731 \$16.02 \$3.771	THP	11111	=
Japan Brain Japan Brain Japan Gograd German Indool	=	30.845 312.38	18 17 80	THE PROPERTY OF THE PERSON OF	
Hung Kong Index Hung Kong Index Hung Kong Beard Hung Kong Geard UK Sik Bear UK Sik Bear		\$1.528 \$10.777 \$8.198 \$8.415 \$11.28 \$8.300 \$11.70 \$8.796	99 15 17	21112	=
US Bond Deer		\$9.325	2	1111	Ē
German Bond Jose Starting Bull	=	\$10.45 \$10.45 \$10.38 \$8.962 \$8.741	78 58 5	Ξ	=
Butterfield Ma	uagëte:	\$12.61 \$10.31 \$0.260 ant Co I	eq 14	=	Ξ
Bustons Captas Ag Bustons Equity	\$	16.94 \$10.5 \$11.8 \$0.80 \$10.13	18.95 1 8	1111	Ē
Pastress Self Income Butteress Money Ma Pastress Money Ma Butteres Money Ma Butteres Money Ma	wicet wicet wicet	\$15.344 \$15.38 \$11.00 \$11.00	Start C	Ξ.	5.4 3.31
Bend Address Port	₩	\$100.9	6	<b>.</b>	-
Orbits Investment Orbits Codered Edgy. Orbits Codered Edgy Orbits Leveraged In "Prints on In	17 Mpg	23.74 24.80 31.45 Patring July	24.37 28.05 33.38	Poting	Ē
GUERN (SIB REC			(D)		•
. 1	jett Burd Cirgo	Pality Pality	Auging Paint	+=	Tietd Ura
Alis investment PC Buz 255, St Per Alis Offstone Fund tran for Equity Mgd In Equity Mgd E and Equity Mgd E Costs	Part, I			1116	0651
Or print come		E1.057 E1.057 E1.006 E1.577		77) 114	-
Advance & Merris PO Box 255 St Per Vencional Justic Equitable Justic PO Box 256, St Per Secting Pigh, Vid				1451 7	7.26
Guinness Fligh	d Fd M		1.0100 econio		4,07
Esquirtos 01-451 772 Bultusees Pligid Int US Dollar Money. Sanfing Manty. You Manty	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		-		
Deutschwingel, Min Seiten Franc Mone Mingd Colfendy July Prime Good Life High We About	7.0 7.54 54	\$42.5 \$42.5 \$40.6 \$10.6 \$40.5 \$41.5 \$41.5 \$20.5 \$20.15 \$21.15	01 04 97.36 46.86 41.50	+0.50 +0.50 +0.23 +0.23 +0.23 +0.23	145 55 55 715
urd High Yell Bond. Surg High Yells to US Day High Yells Bd had Shined Goth and Equity.	70 	\$25.05 \$25.15 \$25.15 \$25.00 \$45.25 \$25.18	97.36 44.86 47.80 24.97 25.74 22.84 45.99 45.93 27.85	-0.01 -0.01 -0.62 -0.63	4.74 6.20 7.44 5.54 7.15 6.55 7.15 6.70 1.70
European Equity— Claim Stendary For USS Manny Ford Sharing Manny For You Manny Fand		Y5000	24 24 45	=	
City Motory Ford History Correct For City of High Inc Rol LISS Bond Food Bit & Silp Bend	1 34 4 34	PROBLEM STATES S	30.23 30.21 21.00 25.58	+0.01 +0.21 +0.19 -0.10 +0.05	5.35 5.50 7.03 4.56 7.78
Control Standard For Inc. 158 Standard Standard For Inc. 258 Stand		22 1/2 22 1/2 22 1/2 24 1/2	2010年15月14日7月10日日本2017年2017年2017年2017年2017年2017年2017年2017年	であるとしているとのではない。 は他のはないないない。 は他のはないないない。 は他のはないないないないない。 は他のはないないないないない。 は他のはないないないないない。 は他のはないないないないないない。 は他のはないないないないない。 は他のはないないないないないない。 は他のはないないないないないない。 は他のはないないないないないないない。 は他のはないないないないないないないない。 は他のはないないないないないないないない。 は他のはないないないないないないない。 は他のはないないないないないないないないない。 は他のはないないないないないないないないないないないないないないないないないないない	4.7000315000000000000000000000000000000000
Chinal Beharad Gel Blobal Equity Fueld Areadon Stee Chip Assertion Stee Chip Assertion Steel Ship (II) Fueld	L NAME OF THE PERSON OF THE PE	125 Tel 121 Apr 121 Ap	22.51 112.90 39.28 56.67 32.43	-053 -053 -056 -056 -1.11	0.40 0.00 0.00 8 10
ASSANI AS	- 5\ - 5\ - 5\ - 3\	259.11 259.11 572.16 572.16 572.157 672.17	34.40 66.46 22.54 27.34	044 -025 -035 -035 -035 -035	200 200 200 200 200 200 200 200 200 200
Japan & Partic Furupeen Fund Richal Energies Wate Blobal Energy Furn Global Gold	1 St	2000年2000年2000年 第888年2000年 2000年200日 2000年200日	158.51 20.60 43.90 61.74	10000000000000000000000000000000000000	0.00 0.10 1.50 0.20 0.10
Clobel Labors Fort	d. 54s	25.25 25.30	102.08 27.20	+0.12	1.80

NANCIAL TIMES	THURSDAY JULY 18 1996	*		
itelina Hait Tout Te	· · · · · · · · · · · · · · · · · · ·	FT	MANAGED F	UNDS SERVICE
	Stable over the telephone. Call the FT Cityl	ine Help Desk on (444 171) 873 4378 for	more details.	laft Holon Sulling Stuyling a law Yield Clayse Polan Polan - Mrs.
SHORE O OVERSEAS	Lioyde latt Money Market Fund Ltd	Rotherhild Secot Manuel - Contd.	LST Asset Management ( id - Contr.	Timey (Ireland) Ltd Gorden R
	Australia Dober ( ASSS-54) Abbil 6,655 Canadian Dober ( ASSS-54) Abbil 6,655 Canadian Dober ( ASSS-54) Abbil 5,655 Canadian Dober ( ASSS-54) Abbil 5,655 Canadian ( ASSS-54) Abbil 5,655	UK Copital Garrers	GT Heaville Productive 5 (1) 40.15 (1) 60.00 (1) 61.00 (	59 14 -0.07 - MARKE DIK 1
MUDA ECOGNISED)	ECUTS © 1000 35511 Francis Francis © 1000 35511 Francis Francis © 17708.977 4000 3551	Hoyal Back of Cacade Inti Money Mariat Fd Money Ment Pas	ST Handray Pumilistic S \$11.43 -0.07 0.00 DE Handray Pumilistic S \$73.5 -0.07 0.00 E7 handray Small Cook ST handray Small Cook ST handray Small Cook ST handray Small Cook St 57.7 7.10 +0.51 0.00 DE handray Small Cook St 50.50 E7 0.00 DE handray Small Cook St 50.50 E7 0.00 DE handray Small Cook St 50.50 DE handray Small Cook	(REGULATED)(**) Hambrus
Chiga Prine Prine - Bra	100 Marie 100 Ma	125 Access Class 51,1800 4.90 155 Ober Class 51,1805 4.70 155 Ober Class 51,1805 4.70 155 Access Class 67,2452 4.70 155 Ober Class 51,8857 4.70 155 Ober Class 51,8857 4.70	6T today Small Care 8 581.00 0.00 51 Jones OTC Stades A. 871.80 11.60 -0.05 0.00 6T Juphs OTC Stades A. 571.44 7.52 -0.05 0.00 6T Juphs OTC Stades A. 571.25 -0.05 0.00 51 Jupis OTC Stades 0. 77.25 -0.05 0.00	Add Found Shake Department Lind Add State Shake
nervancy Francis List all, Parabrita, Barmada am 2000 414381 January 01534 71006 10500 414381 (\$9.502.2504)2236	US Date Com 6	Starting Digest Class \$1,0203 4.00 305 Accept Class \$671,1151 1.00	GT Japan Sm Cork 27.67 14.10 -0.01 0.60 51 Japan Sm Cork 27.67 0.35 -0.61 0.00 GT Japan Sm Cork 27.70 -0.01 0.00 GT Japan Sm Cork 27.70 -0.01 0.00 GT Japan Sm Cork 27.70 -0.01 0.00 0.00 GT Japan Sm Cork 27.70 -0.01 0.00 0.00 0.00 0.00 0.00 0.00 0.	CAN Manager Carrynoy SECT 477 22:222 - House Ker
49 1752 777307 Heng hang (522) 348 1000 1000 1000 1000 1000 1000 1000 10	Dusting day	Din Ameni Cines Diri 2005 2.46 (Diri Diri Dine) Diri 2005 2.46 (Yea Acces Cees 11.081 0.00 (Yea Dirich Cees 11.081 0.00 (Yea Dirich Cees 11.081 0.00 (Cees Cees Cees Cees Cees Cees Cees Cees	67 Latin America 8	ASS Asset Management Ltd Statement Asset Management Ltd Asset Management Ltd Asset Management Ltd Asset Management Control Con
DROB.723 +686 216   DROD		Schroder Investment Linguet (Guermay) Ltd	67 North America A	Argenta European Hedge Pund pig UK t Nanega US Atmosm S10 01 2.00 UK t Nanegat UM Atmosm
Fert 3,384 5.28 FFGS.805 40,814 2.09 IRStrict.00 +0,84 4.29 IRStrict.00 +0,94 4.29 IRStrict.00 +0,94 4.29 IRStrict.00 +0,94 4.29 IRSTRICT.00 +0,95 4.00 IRSTRICT	Production Fund Managers (Goernous) Lid Po Dec 61, St. Peter Part Sussession Collect 700000 Padmild Huny Funds Lid	Section   Sect	67 PRC 9 51.12 0.01 67 Stategie Boad A 52.07 0.54 0.01 0.44 0.01 0.44	Anin Dynamic Stouth Fund Pic USS Pucilic I WK S Growth Cop Growth Fund (tt) USS Pucilic I WK S Growth Cop Growth Fund (tt) USS State in
	Managed Dates 0 814.95 14.05 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.	hedin Communication, \$10,000 11 487 high relian Communication, \$20,000 517 10.00 filters School Communication, \$27,00 54.00 5.70 6.70 filters School Communication of Transport Communi	GT Stranger flood 8	Asia: Diversited Equity Fund Pic
Nicon for rigolog July 17 Andrell (Bermands) Led 250, Handloo Berminds 001 808 282 2780 all Vanda Districts Front Ltd	Rotherchild   Asset   Managamuri (CT)   List   PO 20x 20c, 20 Paur 7 pr., Gamesay	A-Filled for Co. (MSTY27.82 Commity Compat 2000 LM \$1414.74	Trickering   5   257 58   0.22   0.00   51   140   1	Acian Emerging Markets Fund Pic U.S. E. Fund in Statement Statemen
315.43 75.27 +0.70 5.63	Find 5 Geben 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	ASIN Stealings: Coursein; \$8.86 S.RS72	Lazzini Brothers Investment Funds 11d 2022 Lover Halth Street, Datin 2, Invest 3531 7805083	Asian Setembry Fund Pig  Asian Setembry Fund Pig  Asian Setembry Fund Pig  Asian Setembry Fund Pig  SE219  SE219
C3312 94.29 -0.04 7.79  FT.19 14.29 -0.04 7.79  FT.19 40.19 -0.02 -  FT.29 14.7 -0.05 0.00  FT.30 14.7 -0.05 0.00  FT.30 14.7 -0.05 0.00  FT.30 14.7 -0.05 0.00	FARIL DRY DIMES AND 40,000 126. FARIL DRY DIMES BY 40,000 275. FARIL DRY DAWN AND 40,000 275. FARIL DRY	U.S. Advisors (Goarnsty) Limited US-US-Wheeler Alie In 3104.20 108.40 Youndelpi Capital Most (Goarnsty) List Yaundelpi Gapital Most (Sournsty) List Yaundelpi GS Fond 30.33 +0.05	Lacent Reviews Minist Spally Paul Tre Lacent Sergesti	Asset Korea Fond
0 \$4.5100 +6.002 -	Fig.	Various Various Integr. Variou	Latery Jupes F	Atlantis Kortan Smiller Companies Form Humberd at 16 St. 85 -0.07 His Land Fell on Smill at 10.
# FO #6.8551 -0.0122 - # FO #4.4104 -0.0146 - 6 Limited Imailina, 198111, Sermeda 441 282 8370	FAIRL Van Y10114.00	IRELAND	Lauret Luini, Annechau. 0 20.95 0.00 Lunet Right Annechau F S SAB 0 0.00 Lunet Right Annechau F S SAB 0 0.00 Lunet Right Short F S SAB 0 0.00 Lunet Right Short F S SAB 0.00 Lunet Right Short Short F S SAB 0.00 Lunet Right Short Short F S SAB 0.00 Lunet Right Short	BZW Asset Management Ireland Edd 628 Fland Insense Bescher Fund Fix Stating Lightly A
MUDA	FARE Man be \$27.000 +0.007 327 FARE Man be \$70.100 +0.003 4.00	(SIB RECOGNISED)	Lacrof Departual Des (and. 5 Des). 1.63 — 5.45 Lacrof Departual Des (and. 5 Des). 1.63 — 5.45 Lacrof Salamateur Fluid F., 5 E. 57 — 5.21	Korse CB
ALATED)(**)	FACE DE DESCRIO 4000 1.76	ASS French Minorogeneaut Ltd Ast Involvent Ltd, Depte 4 00 2001 601 7077 AST Symptosis French Depte 4 002 2001 601 7077	Morgan Greefell investment Fords Ltd (s) 20 Fishery Cross, Lendon Etgal VIII VY71 Est 7474 Assertan Errepta 37,769 - 0074 - Asian Bussil Cos 98,1294 - 40074 - Fatal E 20074 - 40074 -	Basic of Iroland Volt Russians Ltd Ante South Proper St. 21 Click Street Cap State Cap Street Cap Street Street Cap St. 20 Click Street Cap Str
inti Januari Memeri Lisi	FACEL HAS HASTON HONE 2-47 FACEL HAS HASTON HONE 4-17 FACEL HAS HASTON HASTON HONE 4-17 FACEL HASTON HAS HASTON HA	Continuity Maragant 0 TENERS 0.0052	Brother Capital Group Int.   District.05 +0.36 -   Brother Capital Group Int.   District.05 +0.36 -   Brother Capital Group Int.   Sept.   S	Complex Portfolio Sin 19 11-02 Koron level
ul 0	FACTL Set Section 4000 436 FACTL Set	87 Market Assests Frank Groose Wigh Veled	Short Danging Mets Did. DM2.17 -0.09 -	Equiphages 510.25 10.50 Room Ope Room Ope 10.50
10 5017 W 17.378 6.40 3.01 10 711.62 10.77 3.01 10 711.65 17.78 8.25 9.01 10 811.65 17.78 10.43 3.01 10 87.56 75.78 10.43	FACEL Ten Y3600 1000 Royal Rk of Cannels O/5 Fd Mgre Ltd PO bis 248, St Poter Park, Garmany 51431 723021 Maker Funds	Special Board Acc.   \$11.57   11.03       State   Board Acc.   \$11.57   11.03       Alamaignet Dollar Mac.   \$1.00       Alamaignet Dollar Mac.	1000   1000	Argumina India Rd
10 23.47 23.85 - 10 23.66 15.96 - Earl 5.04 15.35 -	Cond Euro Chan F 0	Standard Standard Order	Jupon Capital Guess 156 F. 17.482 +0 002 - Jupon Capital Guess 15 F. 17.98541 +06022 - Jupon Capital Guess 164.   Duck 21 - 0.02 - Jupon Capital Guess 164.   Duck 21 - 0.02 - Jupon Separation Cost.   10.7848 +00001 -	Venezanta belan Fd. \$8.6776 — Koren Sant Penezanta Fd. \$7.0566 — W. Late American belan Fd. \$7.0566 — Koren En
10 \$16.06 15.38	Intel Dept. Acc. F . 0 314335 14.372 46.798 Acids Grovel Cases F . 0 3285 8.794 -0.273 Acids Grovel Cases F . 0 38.985 8.794 -0.273 Acids Create Cases F . 0 102774 499.255 -0.2768 Acids Cases F . 0 102774 499.255 -0.2768 Acids Cases F . 0 702774 489.255 -0.2768 Acids Cases F . 0 702	Asian Browth Acc	Appen Smart Cot   151.210   +0.902   -1.500   Appen Smart Cot   151.210   +0.902   -1.500   Appen Smart Cot   158.   52.302   -1.500   -	Saring beharmstipmal Fd Highs (leaked) Ltd / Minimit
\$11.34 9.1250 DM11.00 2.6000 E11.52 5.4100 Mr (d) \$12.2155	Demodran Clause F	letti Browtis Acc F	1475 Basing David	Octobra Francisco San
88,4664 \$13,7310 \$13,0387 \$7,7378 \$15,0240	Destro test Cape Clause F, O 52 JS75 7 2 888   Debts int City Claus Acc F, a 57 JS7 5 7 888   E Egypty Clause F — 0 85 JS75 4 7 888 a 18 Egypty Clause F — 0 85 JS75 6 10 10 10 10 10 10 10 10 10 10 10 10 10	BOC Gleeni Equity (c)	Selector (M. 155 - 152 - 1500	Estigas Fartit. 27.13 22.10 -0.26 03.5 cf. Beneging from Section 27.13 27.10 -0.24 0.06 cf. Beneging from Security 27.10 -0.12 0.06 cf. Beneging from Security 27.10 -0.17 0.00 cf. beneging from Security 27.10 -0.17 0.00 cf. beneging from Security 27.10 -0.17 0.00 cf. beneging from Security 27.10 cf. beneging 27.10 cf. b
93.7715 97.5148 4 39.9457 572.3899 58.6978	Empares Board C. Ion F., 6 MIREM 193,585 — Empares Board CI Ann F., 0 MIREM 193,585 — Salar Sana Board Ci Ann F., 2 MIREM 193,585 — Salar Sana Board Ci Ann F., 2 MIREM 194,585 — Salar Sana Board Ci Ann F., 1 Salar Sa	Emerging intrict 84	Sharyay Johnstone (Dehkir) 11d Europa Youse, Haccourt St. Dublis 2 Birray Budesh Assemblished Faul Pit Myang Hamshin Band , 2 102.26 40.07 5.67	2007 143 - Managard 3
15.2958	6K Som G Acc F 0 195300 0.6312 3.84 bill Communic Fd Ltd 543.32 +0.01 4.72 Constrain F 535.66 +0.01 3.70	Monte Span Eco 64 Eco 62 10.95 -0.00 5.80 World Bood FFF 60 FFEE 60.80 -0.80 5.80 Christophe Investments Pic		Michite Pite Beefing Upsi Fenach Fesse US Down Ltg Department
\$9.3057 \$11.7011 \$8.7902 \$1005\$12.1110 \$9.3252	D-Mark 1980-437 +0.01 2.25 Earlie Franca 5F05.22 1.34	Var Bow Lane, Champaick, EDMA 9E     \$177, 256 7700       Extra (Periodic Solution A F, 5     \$12.40     +0.05     -       School Registra Solution 6F, 0     \$13.79     +0.05     -       Businated Bish Registra AF, 5     \$10.00     +0.07     -       Registration AF, 5     \$10.00     +0.07     -       Analysis of Bish Registra AF, 5     \$10.00     +0.07     -		Seaten Fence Speckup Lipst Frontisk Frontisk Lift Doller Lip Durkschmin
\$10,2500 \$10,478 \$10,3868	Labort From Pictor 2014 months (1948) Tripped.  Sersesin Fitteds Mingrati (Geterpressy) (194) PO Box 240, 32 Peter Part, Generopy (1948) 7/23021 Stobation Delay Accord, 531,00 52,07 40,21 Globation Polity (1941 531,55 30,25 40,15 2,50)	Ambute Cardy Publish EF 5 178.04 40.06 - Ambute Tils - Card Holish EF 5 177.08 40.05 - Hocome Portfolio AF - 5 101.80d -0.01 0.00 Income Portfolio E F - 0 102.83d -0.00	70.2 4	South Francisco
30.2684	Babaster Danier Dist	Coeffic & Co Fried Managers Limited George Carry, Datte 2, Indired 00 2531 6064500 Coeffic States Frent Ath Anachters Equity 524.58 25.82 +0.05 0	Sanna .	Morgan Sa Faugling Mite Clarker Feebal Ladars, Union
Management Co Ltd   516.94   18.95   -   516.51   -   51.56   -   50.40   -	PQ Dox 255, St Peter Part, Benniney (148) 710051 Encopera Ed S 3 31784 12 1486 7.13 Approx 20g Equat	IK Conting	1 50	Dildon File Spring Reg Morgan B Associan S
10.0000 \$10.154 \$10.5454 \$10.5454 \$10.5454 \$10.5454 \$10.5454 \$10.5454 \$10.545 \$10.555	GUERNSEY (REGULATED)(**)	18.50 +0.07		Employer a Employer a Jugan North Annoths North Annoths
and Achitroge Fund Limited procuse \$100.06	Salling thinging + or Yidal Pales Price - Greek AMIZ Maganit Co (Baueresny) Ltd.	Inperson Convertible		Pecific USS.
etwert Herngement Ltd  500 2.14 24.51 26.05 26.0	Apolio tayoutment Management Ltd	Charles	·	Inter Free form
RNSEY	First 12,578 European	Druediner Idekrusset Besmon bet High Services Ltd La Touche House, RSC, Dublin 1 Un 3531 6701444 LR Sanghent 17 240 300 Referenț Jamen Igalin Paul Pa		The Horty The Swring I Old Hitchia
ECOGNISED)	Hartigot Carrony	Expline Growto		
prout Managers (Generally) 11d St Peter Part, Generally Cl 01481 710001	BZW Asset Management Guernamy Ltd .mpm Index Fund 1256010 2507.000	Deposit of the content of the cont		Starting Marin USS Inh Pean DOM and Pean
Pend Std y Mgd 5 \$1,0594 1,1346 0 5 \$1,059 1,1151 4gd 5 \$2,108 2,270 5 \$1,000 1,050	Bactmann Global treatment Frant Ltd.  Carls, Get. Stp. Ped Int. 1747 1844 — IS Justy bit Rod 8 (20. \$1985) 193,71  Global Equit —	Timilized Front 5 \$15.36 — Stormpoore Found 5 \$13.05 — Amelyphyliter Zorland 5 \$2.99 — FISH-Theories Latin American Injections Fe Fish Computation — 5 \$7.54	The same of the sa	TOTAL PARTY OF THE
Meville Fd Manugt (Guarassy) Ltd St Peter Pat Suemey) 2 91451 710851	CEC Fund Managers (Guentery) Ltd .	President - President India Frend pilo India Frend	Delay Asset Management List	Barring Medical (Professor) LDG
me Fond Mc \$1.641 1.000 - 7.29 Intermettosel Frend Managers Lid St Peter Port Guaranty Ci 01451 710051	PCF-00 Octor Bond ( \$18.48 16.77 2.82 PCF-000 Octor Bond ( \$18.48 16.77 7.83	The Based Bendeson Front - Spikes Bends Front 1955 teacher Debte \$ 904,5755 1955 High Visids Unity \$ 504,5755 1955 High Visids Unity \$ 504,5755 1955 High Visids Unity \$ 504,5755 1955 High Visids Unity \$ 1954,5755 1955 High Visids Unity \$	90 Indicator: Street, Dubble 2 Chay Enriquent Street, Dubble 2 Doi:154.58 Doi:154.59	Undertilk Repair Inc. \$17.26 72.01 8.04 Orient Ball Context America Foot 92. \$17.70 8.00 MW Pacific Energing 94 A \$17.96 0.00 Pacific Energing 94 B \$15.26 0.00 Pacific Energing 94 B \$15.26 0.00 Pacific 211.266 America \$17.56 0.00 0.00 MW
Flight Fd Magus (Generosoy) Lid 8: Four Part, Generosoy 2007	PCF But Adapting 4 20.04 70.48 70.48	Edinburgh tink Trust Managers (tretand) Ltd 10 Herourt Street, Datel 1 Februarities Hernite A. 90.0	Old Micheel Interactional Fd Magra Ltd (a)	Berkshire KITC Growth Fund Pic Pacific Gro
hi bimesticasi Acomb Pant (Delty)  904,570 +0.01 4.74		Federag Brod Servitis A. 98.0	971 Lower beautit general, pressed, pre	HAV 45.55 - High tecome Beriller Syrout (Arthurd) Ltd
rt Manny . 0 DANG . 101 +0.07 2.05 Manny 0 ST-68.804 1.44 Manny 0 St-68.804 1.45 Sty 04 98.876 92.36 +0.50 5.34 Sty 04 4.56 4.86 +0.52 5.70 Manny . 54 528.69 47.80 -0.79 7 15	COUNTING TON STATE	Applies and Colombovilles 99.57 9.67 5.64 Sin - Bart Steam Design 91.57 5.64 Sin - Bart Steam Design 91.57 Steam - Bart Steam 91.57 Steam - Bart Steam 91.57 Steam - Bart Steam 91.57 Sin - Bart Steam 91.57 S	The Section Data Hayl	CPP Interest Rate Arbitrage Fund Pic Appetus Port Appetus
Informational Accumb Found (1988)   474   474   474   476	Destruct Heurgement (Sucreey) Ltd. Control Heurgement (Sucreey) Ltd.	investment Series \$1 programmed Gift Series \$1173ci 40.01 4.65 "Associacy 7-Day Yold	Profilic habarustianni Fund Pic 50 Fizzyllen Supero, Datos i Bugdan 0771 200 3700 Doolley 0000 250240	invest there is not set 4. \$53.89  CFP interest Rate Arbitrage Family Fig. Country Front 190.29  Calpites Front 1905.20 +0.35  MM 1905.20
0" \$20,054 4.73	Global Foreign Businesses \$10.20 10.27	The Fiduciary Trent Global Fund 12 Lower Learns Steat 12 Lower Learns Steat 12 Lower Learns Steat 15 Revi - 00 353 1 80 353 1 15 Revi - 00 353	Provide: Industructional Fund Pic 53) Flameters Septes, Debto 8 Flagetin (171 201 300  American F. 200 300  American F. 300  Amer	Chemical tretand Fund Administrators Lid  Form fined Assaulter Res.  AST-17 — 0.14 Therine Fort  Bonds Orchid
Section   Sect	Generatory Capital Management (Italied GOM to Fit be Com 5723.25 1754.25 5724 bit for Com Fd 5723.25 1754.25 5724 State Atlan be 3850.77 1855.35 6731 125 Spain Atlan be 3850.77 1855.37	US Fight Growton Equality \$15.27 -2.09 Biomyddig Marfach, Phyl II. 0	American F   222.5   -2.5   0.00   American F   270.5   -1.0   0.00   American F   270.3   -1.4   0.00   American F   270.3   -1.4   0.00   American F   270.3   -1.4   0.00   American F   270.3   -1.5   0.00   China (Opportunition F   270.1   -1.7   0.00   China (Opportunition F   270.1   0.00   China (Oppo	100
7.75 Public 48.50 +0.41 3.05 public 48.50 +0.41 3.05 public 48.50 +0.41 3.05 public 50.00 public	GON LOS Spacial Cham. STYGETS THE AN Planshrop Fund Hannagers (CI) Ltd. Japanese (TC	Gighted Appert Minneypetpools 65-65 Lover Monet St. Dalffe 2, joined 646 Feel Westgement Life 56 CREA Apple of Dalff 7 Stell	European Strotch F 1893 -02 0.00 Cartel Bewell F 1893 -05 0.00 Cartel Bewell Bewell F 1893 -05 0.00 Cartel Bewell Bewell F 1893 -17 3.73 Cartel Bewell Bewell Bewell F 1893 -17 3.73 Cartel Bewell Bewe	Citizen Investment Fred (trained) Cit Kove Cyale
119 - 7.79  119 - 54 - 119 - 1	Hardeville Fitting Managangs (usuntung) Lini Hardeville 9 45 Ft	Color   Colo	Scottlish Value Minespannest (Iroband) Ltd (a) 12 (Iroban Street, Opins ) 03 2631 9613435 U.F. Character Street, 12 25 25 25 European Street, 12 254 273 - 2 European Street, 12 254 273 - 2 European Street, 12 254 273 - 2 European Street, 12 254 255 - 2 European Street, 12 255 255 - 2 European Street, 12 255 255 255 255 255 255 255 255 255	COTT States Paris Price Paris Price
50 5501 52.77 -0.23 660 50 550.11 50.77 -0.23 660	IPS (Gascussey) Ltd	SAM Trougo Mo H. District. 19	Brainer Walton P1.11US	Remote Stores \$12.06

And the state of t	(SIB RECOGNISED)	Atlantic Fund Management (Grammey) Link	00 Entry 0 511.12			ISS E-monay Socioustyr \$1,174 1,262
A STATE OF THE STA	Dirige Price Price - Bro	Admits Japan Carts Diskel	Costactycya 5 573,870 Dryockade Themstine Anima Spinotiene Franci pie		E	LES Managed Connets y 51961 1,055
Section Constitution (Constitution Constitution Constitut	AIR Investment Managers (Garrany) Ltd	BZW Asset Management Guernamy Ltd	Hide Koop			DEM hill Point Interest DMD.062 1.035 ~
	PO Pox 255, St Peter Part, Secretory GI CHAST 270001	Recipress Global tryestment Pand Ltd.	Theband Smith		100 BJ 8000-	Stefacy Intil Food Interest . 17 005 1,000 105 Nameped
	tent not Equity Mind 5 12.0584 1.13465	Carts, Gitz & Sity Prof. Int. C19.41 19.44	Stocycore Fund 5 \$13.05. Antisympton Zerland 5 \$2.96			Starting Minagest
	E int Equity Mgd 5 (2.100 2.270 £ Code 5 (2.100 1.050 int Equity Class 0 Et 1577 1.2720	Global Equity	Conquistrator 5 \$7.54 — -	mit them belles Begins over Y	and the same of You	Starting kmg Supplemental \$1,008 1 061
	Out and and a second as a seco	CIBC Fund Managers (Guernery) Ltd .	India Food 5 \$103.34	comp roce race - a		DESS Special Market DNO JSS2 1 024 Starting Special Market E1 034 1 112
	PO Box 266 St Peter Port Summer (Generatory) Ltd 90 Box 266 St Peter Port Summer 12 01481 710861 Wasterman Dood Fonding £1541 1861 - 7.26	Sterring Money Market. \$10.263 — \$.56 US Doller Money Market. \$16.279 — 4.82 Can Doller Money Medial. C\$20.359 — 3.87	The Baylor Burdation Found - Spirite Burdly Found 1935 Improve Volla \$ \$94.5735 1935 Projet Units \$ \$94.5735 1937 High Value Units \$ \$94.5735	Ordery Asset Standarderment LTS 90 Harmort Stool, Dubble 2 00 3531 790 2	Bartag Mutazi (krelanti) Ltd un trabali Francisco - 812/63 12/61 - 4.9	Orient Balanced Fund Pic
		200 Constant Proved A 019 01 12 87 11 80	US\$ 19gb Yald Udbs . 1. \$84.9735	Dony European Gib Inc Del 154.59 has Day European Gib Acc Del 154.59 has Day European Gib Acc SIG.57	- Greater Armics Reed 102. \$877.70 0.0 - Pacific Emerging 94 A \$87.96 0.0 - Pacific Emerging 94 B \$85.24 0.0	Pacific 21st Captery Fond
	Figure 256, St Peter Port Surrenty Co. 01481 710051 Starting High Yid	PCE Furn Brost & 95(2) 83 77.27 14.59	For Demote and Editorigh	Datey European Site Ann. 1981.57 Odey European Site Ann. 1981.52	- Latte America	58,10
	Guinnesse Flight Fd Mingrs (Guernstry) List Po Son, 250, St Poter Part, Guernery	PCF Esta Empty 4 SF(2) 38 22,13 8,75 PCF Belonced 6 \$17.70 18,97 7,90 PCF For Extel \$17.56 18,50 3,78	Edinburgh Unit Treat Managers (Iroland) Ltd all Hercout Street, Dates it	Old Michael Informational Fd Magne Ltd (u) 9/11 Lower Magnet Street, Dates 2, Judend 03:5537 8921	Berkshire KSTC Growth Fund Pic 50 MW \$8.10 -1.61	- NAV
	Escatrica (1-461 772176 Degines (1-461 71000)	PCF led Managed 4 19.84 70.48 -	Editing State Courtes A. 99.0	Old Golfen Euro Sakurid \$1.537 +0.011	Berteshire Koren Fired Pic	Paise Webber Offshern Funds Pic (14 (2)
And Market and Andrews	MI Color Mante: 0 S42-570 +0.01 4.74	De Carte Fant filmres (Lin. 291.10	Federated Interestional Funds Pic (u)	Cont. Section Date Adds 57. \$10,000 at 100 a	00 Bordier Brenst (trobund) Ltd	High thooses Clear C \$8.05 8 65
404	6 VIII 730 U.D)	Curatercial Dates Captives for Magt	March 10 Kintlevier 99.57 9.07 5.64	Old Galley Dist Spec BOL. \$1,3404 +8.008 CHI Galley Dist Fund Int. \$1,04434 +8.008	00 most turn Famer Jule 503.80	- Parlice Accet Management (trained) Ltd. Gotel Popula - \$3.50 -0.15 -
	Martin Continuely Did School Street Tolder	Constitu (Chornel Islands) Limited Consider Engry Jon 28 \$30.07 90.67 — —	Section   Sectio	Out glatter filts flast title. \$1,3424 4.000 6.0	00 CFP Interest fixto Arbitrage Fund Pic 00 NW 910.29 -0.04 0.00	Approxim Porticio
	Surfey Peace Manager 0 plants Confession 04 plan	Connellen Entropy-Ion 28 \$30.07 \$0.67 — — — — — — — — — — — — — — — — — — —	Politycold Hert-Trees UK Bret Searchise Front Indifferent Care Space " \$1 4.84 investment Sertion " \$1 4.24 investment Girl Sertion \$1.17.26 40.07 4.05	Charte UK Gib Trust Ch.888aj +0.016 6	Calples Franci	Chris Porticile 50.01 -0.15 Chiu Porticile 58.00 -0.10 Indonesia Porticile 58.24 -0.11 Materia Porticile 59.97 -0.10
	ind 14gh red areas . St. St. St. St. St. St. St. St. St. S	Destroys Messagement (Sucressy) Ltd. Control United Eco22.64 22.66	programmed Giff Sprins _ \$117.36 40.01 4.85	Prolitic International Fund Pic S) FazyMen Square, Dutto 2	Capital Vision Fund Pic	Missec Porticile
	in Prime Bond 54, 1942.5 4.00 4.09 7.10 1.00 1.00 1.00 1.00 1.00 1.00 1.00	Cirkel Partially Menanement (Strengers Ltd.	The Frinciery Treat Global Fund	Pagaintee 0171 280 3700 Dealing 0000 250 August Con F 239.5 -2.5 0	00 Chemical troised Fund Administrators List	Portarial Registration S10 74 Aft 11 -
	Claim Strongy Fund (Tailty) LSS Money Fund	Global Cours Hd May 25 \$23.00 24.14 Spall Expelle Vision Mr. 31 \$13.04 13.23 Global Foreign Expenses \$10.20 10.21	12 Long Leave, Street \$10.51 +0.00 -	American F	Of Eyrer Reed Associate Res. AST.17 -0.14	7aham Partitio
The second second second	SACRET MICHAEL OF THE CORP. AND THE CORP.	Countries Confed Management United	US Name	Ann Perille F 270.3 -1.4 ( Ann Perille F 94.702 -0.023 ( Colon Coportunities F 180.1 -0.7 ( Colon Coportunities F 28.6 ( Colon Copor	100 Keese Councils (20s Road SR-27	- Parties Middi-Manager Global Fund Pic - Pata Management. \$192.00
	For Money Fund	SCH Study Alder Ser. STEELD 119425		Furgional Streets F	All Higher East Aufo, Classe A. 91.0925 +6.078 -0.71ef -0.00 10f Performance - 98.00 -0.71ef -	Placeer Management (Instant) Ltd
<b>姜</b> . 在 1	Secured Comment Front - Sys. 252 at 252 2 4-027 2 5-02 at 252 at 252 2 5-02 at 252 2 5	CON 1728 SOUCH COMP. STANDING LINES OF -	For \$1 Ament High Qualentin 130 Main 127 Ament High PLE	Japan Growth F	00 Citi Investment Fend (Ireland)	Global Equity Ptc
	Yes Bond Free 574 PARTY 48-58 +0.41 5-58	Herniston Fund Managers (CI) Ltd.	Chaired Assert Money property (5-66 Lyner Monet S., Dellin 2, Jellin (10 203 1 6/20 6/30	American F	SE COR Kores Equily	Productiel Securities Follows Management Inc.
arnished	You Didd Heat Fig. 24. Even bear line in Fig. 34. Even bear line in Fig. 34. Even bear line in Fig. 34. Even bear line in Fig. 35. Even bear line in Fig. 35	Stanteville Fund Managers (Generally) 13d	GMA Asia Inc. H	World Bard F 136.2 +0.7 &	Chinese Investment Trust Most Company	Posterio - inches al France A. 81.74
MARKET STATE OF THE STATE OF TH	Shall Behaved Geth 54 St. 12.90 -0.94 2.70 Shall Behaved Geth 54 St. 12.90 -0.93 0.40 Committee	Hardest Throgueries Magnet Ltd	GAMA Europe Aco H	Scuttish Value Municipament (Irebad) Ltd (# 12 Lawr Leann Street, Diple 5 00 3631 0013	CTT Tester Panel Phy Audio Diverse	- TRIB Global Fund That Global Early York \$3.79
	Assertions Strate Chip Fol 5% SSEAS 39.281 -0.16 0.000 Assertions Strate Chip Fol 5% SSEAS 56.87 -0.85 0.000 Assertions Strate Chip Fol 5% SSEAS 39.281 -0.11 8.10	hat lov-Stig High has £11,256 11.673 8.67		UK Brown C2.30 2.35	- Becket Start	J. Rethicklid International Assess pic
The state of the s	ASE-MI	IPS (Generatory) Ltd Stock Managed Partieto 139 146	Great Chairm Are 1. Control of the 19 Control of	Radiative Mettas H	- Tolscom Sharps	GRAP LIST, Alexandri
	Agis Smith Companii 1 - 54 522.65 24.40 -0.44 0.50 Agis Smith Companii 2 54 522.65 26.45 -0.24 0.50 Agis Smith Comp Fund - 54 522.57 22.84 -0.05 0.00 Agis Fund - 54 522.57 22.84 -0.15 0.00	Calmaront Bertson Inti Fd Mingra Ltd 10 int Ac St Act" \$17.515 18.410 -4.0540 0 Comping Markets	GASE TIME Bond Day Ace P. DAY 177.00 -1.34 - GASE University Day book H. DAYSOT. 14	Singer & Friedlander law France Life (n) 21 Mars Sarvet, Bishopspain, 6524 497 6177-528 60	Credit Lycenzis Intl Asset Ngt (HC) Ltd Codt Lycenis Spily Introde Pts	SP E Harmond
Market 1987	Jupina Shift Cou — 244 Jupina & Heritica — 254 Ferriposi Ford — 254 Ferr	Coverging Marketon	Guipmess Flight Select Famile Pic	UK Growth	4d Aniso Smr Con	- South Amicale S. Hingd. FT1 698 12.313 +0.035 - - North Amicale S. \$12.016 12.50 -0.055 - - Contar Amicale Dis. 1811.907 11.61 +0.076 -
many 100	Light & Huddle	Luczerd Franch Managers (CI) List	Europe Hao, Harmant St. Dablas 2 20 3531 402 2000 Madras tadian Equity A 5 525.50 24.91 +0.15 — Madras inches Equity 9 5 523.45 24.69 +0.10 —	IR Growth	Agin Spm. Stm	- (K Band 5
Carlotte Thomas	Global Uniques Fortal 544 \$55,00 102.06 -0.59 0.10 Global Uniques Fortal 544 \$25,00 27.20 +0.12 1.80	Lectural D'Red State Sand _ \$27,55 22.55 6.43 Commit D'Red Sand Acord _ \$40,67 42.92	Hadron Badint Equity A.5 \$23.50, 24.09 40.15 — Hadron Inclina Equity 9.5 \$22.46 24.00 40.10 — China A	E Crosth	25 Pacific Streets	- County 500 - STI SIG 11 505 40.051 - STI SIG 11 505 40.051 - STI SIG 11 505 10.051 - STI SIG 11 507 11.502 - STI SIG 11 507 11.502 - STI SIG 11 507 11.502
When y	Hembros Fd stigre (CI) Ltd 01481 715464	Lazard Japan Paris 800.22 64.00	Hagsbros Fried Managers (Iroland) LES Int Reports Syricat Cire, Dable 1 0171 505 1871	Gotel Bond	Deleta Europe Fiend Migra Ireland Life 25 1AA Japan Pic	Special Depart DM DM11.812 PROPERT
	DO BOX 255, GARRISON	Lezard France Asset Management (CI) I.M Leg - United - 810.58 40.07 - 814.44 - 0.07 -	Anter Science Advantage _ 82.93 10.42 - 0.14 0.00	IR. Growth	- US Deliar Regular Frank Studentia Studentia - Portiolio 3-A	# Tracker \$13.55 14.236 +0.23 -
	PO Bin 255, Guerriery BHMAN Bheampird — 4 BHMAN E Dollar Migd. 4 BHMAN E BOOR 5 1,000 1,000 7,36 BHMAN B HARE BENDAL 4 BHMAN BARE BENDAL 4 BHMAN ARE BENDAL 4 BHMAN ARE BENDAL 5 1,000 1,0	UGF - Rand Income \$10.12ml	Henderson Croeffundte Inventment Co. 32 St Mary of HS, London, ECSP SAJ 0000 581206	European 42 PESZ45 43.0 European 42 S2.567 40.058	Portion 3-6	Aggressian USS \$11.070 11.652 +0.110 Bulance USS \$11.15 11.703 +0.078 Control USS \$10.000 11.00 40.078
A Action to	BALLA AND STATE OF THE PARTY 2531 -2 3.93	U-CF - Deporturates - 5157/1 U-CF - Security's Visit - 80.744	Chigar Stangard 51 (884 1 1070)	Same 42 \$1.50 -0.24 Seman 45 Del 415 -0.021	Dragon Koren Fund Pic	Bond USS 510.5% 11.503 +0.029 -
The state of the s	Ballat Anglustes Banes 4 2507 2207 22 22 22 22 24 24 24 24 24 24 24 24 24	Lioyde Benk Fund Mategers (Stermery) Ltd	Page & For Feet \$1.337	Senteral 445 Dati 415 -6021 Senteral 45 Pari 2023 -1.5 Senteral 45 Senteral -1.6 Senteral 45 RF44/95 -6.073 Senteral 45 RF44/95 -6.073	- For District cas helpf (\$1 semples)	For Entired \$14.754 15.562 -0.100 -
	BANA Cycl Est Money O MEDIE 47 Jan 1001	Description from Mrs. \$10.40 18.50	UR Granti	Thi Part 412 100.44 +1.50	- Dynamic Pacific Portfolio Fund Pic	Pamora Site
The state of the s	Company Femile   Comp	Maryll Lysch Generally Surgick at 10	LST Asset Remarkable   DEED 842 7200 Heep Korn   LO 171 710 4567 Louise   DEED 842 7200 Heep Korn   ET ASSANA	Tol Pas 42 Pagga 414 Tol Pas 42 Fig. 22 4020 Tol Pas 42 Fig. 22 4020	- XIV S3.61 +0.10	Bood Sit
	Emp Mg/l	Listo Age Cop (ME) A May 31 . \$10.20	ET ASSAMA	10   10   10   10   10   10   10   10	For East Ante (States) and Hymer Artist Mysel.	Aggresse E
The second secon	. Manager		### ASSAM A #### ASSAM - 1.00 0.00	American Grand 40 Puzzos 444 American Grand 40 51 825 4073 American Grand 40 Ffeb.167 40 180 American Grand 40 Ffeb.167 40 180 American 44 181 1 - 0.00	Sporton Capital European Reput Pic	Good F
The second second	John San - 11,000 8,3151 -01776 2.10	tradio Pol O Sing Jul 10	ET Adm A C14.30 TE.56 40.01 0.00 ET Adm 5 40.01 0.00 ET Adm 5 40.01 0.00 ET Adm 5 40.01 0.00	American Growth. 42 FF61.167 -0.160 American Growth. 42 FF61.167 -0.40 American 43 DM1.572 -0.00	Streets and Plant	Michael USS Balanced S11.457 12.060 -0.057 - Michael USS Contons S10.614 11.525 -0.067 -
A STATE OF THE STA	Euro Berti 5 \$4.4076 4 6862 -0.0100 0.00	Metaligacellachaft (Guerriney) Camer Metalegalachaft Mark - \$1398.79 +5.27 -	ET Animo Saret Con A. S18.61 18.55 -0.56 0.00	Adec 45 70,000 -0,000		Midded C Cardons
	Section   Sect	Militino Capital Mingt (Campa) Lini	67 Asian Smail Con 8 \$78.97 -0.00 0.00 67 Asian Smail Con 9 \$12.21 -0.05 0.00	IK Granging Landon, 45 109.56 -0.03 2	A4 Emerging Market Growth Rand Pic	CRC CARM Straingles Pin
	Applicate See Concess Lett Fel Margan Little	Historian Control (Marchany) Common Marchanian Control (Marchanian	GT Application A	Adden	44 F.LT. Investment Treat Ltd (m)	Care A \$1000000
	PO Son 44, Campany, C. 1,6021 1,6025	Paragon Asset Memograment Ltd.	\$1 Augustus \$4 Cox A \$26.07 \$7.44 -0.04 0.00	Action 41: Danis NY 4.000 Action 41: Pre-1548 - 2.5 Action 41: Pre-1548 - 2.5 Action 41: Pre-1548 - 2.5 Action 41: Pre-1548 - 31: Dán 40: Pre-1548 - 2.5 Action 41: Pre-1548 -	44 F.I.T. Investment Traint Ltd (p) 44 F.I.T. Investment Traint Ltd (p) 45 F.I.T. Comb (w) 46 F.I.T. Comb (w) 47 F.I.T. Comb (w) 48 F.I.T. Sept. (p) 48 F.I.T. Sept. (	Samoung Yanasichi Asie Growth Fund Pic.
	Coef European Lar 5 MC40 7.8607 - 0.51	Person Cap App Fel Ltd. \$107,3033	OT Australian Sep Cost A. 278.78 17.36 -4.09 0.00 GT Australian Sep Cost A. 628.58 -4.04 0.00 CT Australian Sep Cost A. 627.18 -0.00 0.00	Date Passers 0 100,075 40,49 4	Enicon Mariest Frank Pic	Sames International Grainer Pic
	200 10702 -0734 4.71 bit Equity but	Reference	27 Serry Japan A	Dalle Reserved	50 WW	Samme International Greizand) Pic   Samme International Greizand) Pic   Samme Income   Schild   Samme Income
	Japanese 5 State 0.0064 - 1006 0.00 Japanese 5 State 0.0064 - 1004 0.00	Res April Chief (Res 1802) - 570, 182 10,701 - 0,029 5,00 Res April Chief (Res 1802) - 210,182 10,495 - 0,075 5,844	6T Berry Japan 9 \$24.05 -0.00 0.00	UK Equity Income 42 First State 4030 4	as Framingha investment Neart (iroland) List  St. Magketh	Sergeon Sports
Allen -	Strategic investment". 5 11.0011 1773	See Access International Expely Page - 1 192	57 Healthough A	Investment Trust. 42 042 597 -1028 0	27 Frank Typeodi Investymats, (iroland) 14d (th) 27 Frank Typeodi Investymats, (iroland) 14d (th) 27 Adva Chair Salva - 5172-2004 28 Frank Marin Chair - 5177-2004 29 Gistal Gand A - 6113,76	Scottish Amicable Europeen/Interspitant
	1 Asset Management CO Ltd	Armerican Fernal STT - 454 -0.225 -	CT Bend A State - Cop 6.65	Investment Treat 45 Pro220.5 -2.1 0	77 Japon Eguly 1745731 753 62 Pacific Digin Eguly \$117.5094 62 Employ Haush Eguly \$117.5094 62 String Name A	Superced f
74-4-	PO Box 275, St Proof Port, Company. C 01-00 -	Burges Parid SS 835 +0.012 -	67 Bond 8 51278 +0.00 6.00	Professional Income 42 DSC 4650 -0.027 4	22 States Send A	UK Find Interest
	A negati Florid Bhours (Chapter intensis) List	September Con Frant	OT Emerging Marketta	Professed Ingress 42 (182.4658) Professed Ingress 42 \$1.0504 25 Professed Ingress 40 Pa200.14 25 Professed Ingress 42 Pr.4.3004 1006	27 Francis Korean Franci 22 July 20,05 -0.01 -	(K Deposit
	PO Sex 275, St. Poter Port, Converse, C. 255 - 9.66	Global Espily Paris	GK Emerging Markets 9. \$73,340.05 0.00 67 Saverging Markets 9. \$72,510.05 0.00	States I its Investment Field - Protect (c)	610 Food Management (Irokeat) Ltd	Balancer USS \$1.4475 1.2019 -0.005 Consequent (001 \$1.127 1.1061 -0.0015
	Licens Cur Acc Fet 1 0 57 80 18-10 426 18-10	\$12.145m -0.272	AT Exemples May Service B \$2.00 100 -0.00 0.00 AT Exemples May Service B \$2.00 -0.00 0.00	Swiss Like Investment Fund - Probate (r)  1 Instantania Fund, Dalle 1  1 (Fully Supply - 1 2050)  1 (1 2054)  1 (1 2054)  1 (1 2054)  1 (1 2055)  1 (1	CAN Front Management (Iroland) Ltd Global Reseable Fo Pe \$10,20 0.00 Foreign Sucheage Fo Pe. \$2,00	Strain Equity
7 W	Laured Cur Act Fd Y . 0 1907 FD 71 R7 +0.51 2.41 Laured Cur Act Fd DML 0 1907 FD 47.43	Entrange Rend Interest \$1,00725 +0.007 -	57 Earthy Mt Sm Co 3 25.00 -0.07 0.00 57 Earth Scott Con A - 257.57 62.75 +0.47 0.00	Francisco Squary	For Gil James High Brahout, List news List Agent High PLC	1800   1800
	Lazard Cut Ace Fd FF - 0 Rectal 261.78 +0.02 273 Lazard Cut Ace Fd FF - 0 Rectal 261.78 +0.12 -	And Forth - 813.1864 -0.554 -	67 Early State Com 8	Page 19 19 19 19 19 19 19 19 19 19 19 19 19	Sertmore Koren Frand Pic	Octob Systems (45 View) . \$1.0534 1.1404 40.000 - Octob Systems (47 Sept.) 1727 37 134.70 +0.06 - DBT Octobrish (15.75 +0.000 - 15.75 +0.
	Lateral Solvel Investment Trees (2)  Golden Active - 2 CLASS 17-25 - 35	Section   Sect	61 Sta 40.02 7.70 61 Sta 40.00 10.00 10.00 7.70	American Starro Social Starro	\$7.80 -0.83 -	Det Angentynt
	UK Action	1/5 Deber Cash	新 G M B	Destination Reserve DATT SSS 40550 But Councy Such On E St. Strict 7504 - 4,079 Martin Council Add St. Strict 7504 - 4,079 Martin Council Add St. Strict 7507 - 4,0550	Chabul Renources Stock Furni	Destroy Reserved District 1 (2001 + 1,0
and the second s	0 10 10 10 10 10 10 10 10 10 10 10 10 10	Switch Court Court Strict 100 +0.000	Column   C	read strong as (1.2% persons super		
	Banga index					
	Service Accessed Language Color Colo			ا الله الله الله الله الله الله الله ال		•
			The second secon	বিশ্বস্থিতিক ১৮ টি-সাল কেন্দ্র নিয়ার 📑	mu u <del>li</del> aluan <b>y</b> ood na m	***

31	<u> </u>	CE		
• `#	Dell Cal			
		Gordon House Asset Management Lin		Scottish
531 79 -0.07	C\$213	Contyon Monte Optional \$5.01 Intersections Engagement \$5.04 HSBC DIK Engagy Mons Mic	=	Lik Equity E Lik 1 mmi law Global Equity Clobal Bond Figure (South
		Sample U	Ξ	Sellers by
•	Yes	Hambrus Fittel Monagers (Irobaud) 126 Styles Age Marter \$1051   1252 -0.36 Super Age Monager \$14.14   1485 -0.05	0 30 0 <b>50</b>	Strys Clober Stryn Growth Stryn Sucret Stryn Reading
	CORNA	Harring Aspert, Mannegument, Lidd	_	Sieger 4.1
_	_	Jean Recovery \$10.59	:	
-	-	Histori Kurtin, Yestory Franci Flot Sunior Particle HAV \$10.53 Sering Yestor Francis HAV. \$43.51	Ξ	Speight G Spring Same Street Same Spring Same
ø	-	House's Europe Limited the Counters	=	Stellar For
	a.D0	US\$ Managed	Ξ	Typinge W US Growth F Status Bas
<b>-0</b> 12		Interrept of Manager		Stat Street No.
10.002 (10.002)		UR Growth	=	E-stypent 19 Supplement Can Supplement Can Party Canada Can Anni Daglic Canada
-0.21		Emplant	=	Value Exp
-0 623	_	155 Fluid ettrigit	Ξ	Yamaichi
_	_	Swedish Foot Interest Statistics 1075 Freich Managed Fried 106 1 195 UK Egyley Barrier 977 1 1 195 Sugan Managed 977 009 1 177	=	Yellow Se
-0.61	_	Duga Manager Den 127 1 715 EU European Growth - FFF1.577 1 429 Klus Europe Workfuelde Fund	Ξ	Yuki Kore
_	_	Kime For East Famil Pic	-	Yuki Talm
Found 0.47	_	Rose Far East		ISLE
-	•	Klainwort Spaces Steel Arbitrage Fund P	<b>1</b> 0	(SIB F
=	=	Rores Balanced Beliga Fund	-	AXA Equit Victory Fine.
Ξ	Ξ	Korne CB Femil Pic Nov. St 90 +0.27		يدموط احتما
Ξ	:	Korea Capital Crowth Fund 900 - 57.91 -0.41	-	Alfied Dur Lord Speek. All Markey All Mod Cor
=	Ē	Koree Golden Dynasty Fund Pic No		ACT MANAGEMENT ACT PAGE VIEW ACT PAGE VIEW ACT
=	2	Korne bevintment Management breiser 1 Agentinen Stand Feffe . \$1.26 141 -0.20	<b>*</b>	ACH ELECTRA (
Ξ		Koree Open Femil	-	Aphtherite Victory Han Sur Apent Mag To Real Association
=	:	Koree Strategic Growth Fund	-	
Ξ		Korne Setrice Fund	•	Bank of b
Ξ	Ξ	Koroan Energing Grewth Fund Pic Koroan Energing Grewth - \$9.32	-	Sept. of Inte International International Specials Com
0.11 0.11 0.05 0.15	0.95	Kerusa Power Fred	-	CMS French
0.15 0.09 0.10	0.00 0.00 0.00 0.00 0.00 0.00 6.22	Korean Preferred Steere Found	-	Southern Pipe
0.00 0.00 0.05 0.26 0.24 0.03 0.17 0.15 0.01	0.35		5 50	Marcury I 12–13 His S Marc his Po Marc his Ro
0.00 0.17 0.15	1.15 0.00 0.00 4.84 5.06	LGT Acoust Management Lbd  IX Emerging Adda Rand, \$74.33 15.06 -0.07  IX All Mark A. ST-5.10 15.05 -0.14  IX All Mark A. ST-5.10 15.05 -0.14  IX All Mark A. ST-5.10 10.27 -0.00  IX All Mark A. ST-5.06 -0.15	5 30 1.31 0.00 1.81 1.01	Quilitor Ipr Po Box 82, 1
-0.04	3.08 0.00 0.00	Lohes Fund Pic		Qualities for Post Sec. 10. Decimal Management For Construct For For For For For
•0.06	0.00	Mothic Front Company Pic	-	Detection Cities Detection Man Continued Au
		Standing Uspality A F1072-49 Fenech Fenere Liquidity A F71013-05 Lis Dollar Liquidity A 502-06 Deutschmark Liquidity A 54102-06	- 5	Sun Life i
			Ξ	Secret High Mater Res
A	ı.	Standing Liquidity B F102 28 Feature France Liquidity B F102 28 Feature France Liquidity B F102 20 Ducturchemen, Liquidity B S102 20 Ducturchemen, Liquidity B S402 20 Ducturchemen Liquidity B S7700,00	Ξ	Victory Head Global Equito Global (Pad
*	ı	Morgan Scould Cash & Money Market P	5.53	Inihanic S 29-21, Circu Scandinica
17. 6.5	_			Scandinada
		Morgan Streetell Flund Income Funds Pic Sweets Statistics, \$1.255 +0.925 Gober Facel Income		
	ı	Family   Mark   Four   Family   Famil	Ē	ISLE (REGI
	ı	Femorina   1876   Foot Income.   57 255   +0.025		ISLE
•	ı	Famering Main Food Incom.   \$1.255   -0.025	1	ISLE (REGI
	l	Famerican   182	1	ISLE (REGI For ATC Fund AXA Equil European Eq
		Francisco   Internation   St. 265   -0.025   -	1	ISLE (REGI For ATC Fund AXA Equil European Eq
		Francisco   State		FOR ATT Funds  FOR ATT Funds  AXA Equal  Entrepoint for  For Entrepoint  Entrepoint for  Entrepoint  E
		Second Production   St. 265   -0.0025   -0.0		FOREGOTAL PROPERTY OF ACC Funds Forest Fores
		Second Part   December   Strate   Second Part   December   December   December   Second Part   December   December   De	- ic 5.39	ISLE (PREGI Fo ACC Fund AXA Equit European to for Nation Found CAST Extra Control Found CAST Extra Control Found Found CAST Extra Control Found CAST Extra Control Extra Control Extra Co
Á		Second Period Incom.   S1 285   -0.02		FO ATC Funds FO ATC Funds For ATC Funds For Entropies For
		Second Period Incom.   S1 285   -0.02	- ic 5.39	ISLE (PREGI Fo ACC Fund AXA Equit European to for Nation Found CAST Extra Control Found CAST Extra Control Found Found CAST Extra Control Found CAST Extra Control Extra Control Extra Co
4		Secretary   Mark Post Incom.   St. 265   -0.0025   Colori Facul Incom.   Colori Facul	- ic 5.39	FO ATC Funds FO ATC Funds For ATC Funds For Entropies For
		Secretary   Mark Post Incom.   St. 265   -0.0025   Colori Facul Incom.   Colori Facul	5.39	For ACC Funds For ACC Funds ACCA Significant ACCA Significant For Exercises 1 ACCA Significant ACCA Signific
	Police	Second Period Incom.   S1 285   -0.02	- ic 5.39	Fo ACC Funds For ACC Funds ACA Equilibrium For ACC Funds For Entreen ICK County For Entreen ICK County For Entreen ICK County For Entreen ICK County For Entree ICK County ICK C
	4.94 6.00 0.00 0.00	Section   Part   Incom.   St. 265   -0.025   Cabor   Part   Incom.   St. 265   -0.025   Cabor   Part   Incom.   St. 265   -0.025   Cabor   Part   Incom.   St. 265   -0.0072   Cabor   St. 265   -0.0072   Cabor   Incom.   In	5.39	For ACC Funds For ACC Funds For ACC Funds For Emmission Fo
	194 194 194 194 194 194 194 194 194 194	Second Process   Seco	5.39	For ACC Funds  For ACC Funds  For ACC Funds  For Emergen
	4.94 0.00 0.00 0.00	Second Process   Street Street	5.59	For ACC Funds  For ACC Funds  For ACC Funds  For Emission
1.51	2.04 2.05 2.05 0.05 0.05	Secretary   Control Design   Secretary	5.59	For ACC Funds  For ACC Funds  For ACC Funds  For Emergen
005	4.94 0.00 0.00 0.00	Secretary   Control Design   Secretary	6.00	For ACC Funds  For ACC Funds  For ACC Funds  For Emission
1.11	0.00	Second Professionary   Second Professionary	6.00	For ACC Funds  For ACC Funds  For ACC Funds  For Emmission  For Em
	0.00	Second Professionary   Second Professionary	6.00	For ACC Funds  For ACC Funds  For ACC Funds  For Emission
1.51	0.00	Secretary   Secr	5.59	For ACC Funds  For ACC Funds  For ACC Funds  For Emission
	0.00	Secretary   Secr	6.00	For ACC Funds  For ACC Funds  For ACC Funds  For Entrement  ACCA Equal  For Entrement  Extended For En
1.5 C. S.	0.00	Section   Part   Incomp.   St. 255   48255   Cabor   Part   Incomp.   Color   Part   Incomp.   Color   Part   Incomp.   Color   Colo	6.00	For ATC Funds  For ATC Funds  For ATC Funds  For Funds
1.51	0.00	Second Period Income   S1 285   4865   6860   686		For ACC Funds  For ACC Funds  ACCA Equilibrium
1.51 A. 1.51 A	0.00	Secretary   Secr	6.00 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	FOR ACC Funds  FOR ACC Funds  FOR ACC Funds  For Entrement  For En
1.51 A. 1.51 A	0.00	Secretary   Secr	4.24 2.19 pt lang	FOR ACC Funds  FOR ACC Funds  FOR ACC Funds  For Entrement  For En
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.00	Secretary   Secr	4.24 2.19 pt lang	FO ACC Funds  FO ACC Funds  ACCA Equilibria For Entropestin Fo
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.00	Secretary   Secr	4.24 2.19 pt lang	For ACC Funds  For ACC Funds  For ACC Funds  For Entrement  Entrem
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.00	Secretary   Secr	4.24 2.19 pt lang	FO ACC Funds  FO ACC Funds  FO ACC Funds  ACCA Equilibria For Entropeant  ACCA Equilibria For
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.000	Secretary   Secr	4.24 2.19 pt lang	For ACC Funds  For ACC Funds  For ACC Funds  For Entrement  ACCA Experience  For Entrement  Control Funds  Cont
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.00	Secretary   Secr	4.24 2.19 pt lang	For ATC Funds  For Funds
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.000	Secretary   Secr	4.24 2.19 pt lang	FO ACC Funds For ACC Funds For ACC Funds ACCA Equilibria For Entrement ACCA Equilibria For Entre
1.5 List 1.5	0.000	Section   Part   Incomp.   St. 255   -0.0025   Cabor   Part   Incomp.   C. 1.005   -0.0072   C. 1.005   Cabor   Part   Incomp.   C. 1.005   -0.0072   C. 1.005   Cabor   Part   C. 1.005   -0.0072   C. 1.005   Cabor   Cabor   Cabor   C. 1.005   -0.0072   Cabor	4.24 2.19 pt lang	FOR ACC Funds  FOR ACC Funds  ACCA Equilibria  For ACC Funds  For Emmission  For
1.51 5.55 1.51 1.51 1.51 1.51 1.51 1.51	0.000	Section   Part   Incomp.   St. 255   -0.0025   Cabor   Part   Incomp.   C. 1.005   -0.0072   C. 1.005   Cabor   Part   Incomp.   C. 1.005   -0.0072   C. 1.005   Cabor   Part   C. 1.005   -0.0072   C. 1.005   Cabor   Cabor   Cabor   C. 1.005   -0.0072   Cabor	4.24 2.19 pt lang	FOR ATC Funds  For Entrope or Funds
1.5 List 1.5	0.000	Section   Part   Description   St. 265   -0.0072   Statemark   Description   Descrip	4.24 2.19 pt lang	FOR ATC Funds  For Entrope or Funds
1.5 List 1.5	0.000	Secretary   Secr	6.00 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	For ATC Funds  For ATC Funds  For ATC Funds  ATCA Expelle  For ATCA Expelle  For Funds

	_		
· <u>·</u>	Tietd	Saffing Brighing +4° 11010 Prign Prins - Malan	hill Syrad Shiffing Beging + air 'flob' Cirga - Pissa - Pissa - &f-
ent Ltd		Scottish Matural Inti Fund Managers Ltd	Hill Samuel Fund Algrs Coatel.
	=	15 Tably E	Starting Managed 114 P1104 122" +0025 457 00 Delet Managed 217 9426 1450 +001 445
ű	Ξ	Sellers Investment Massgarmet (Iroland) Ltd	Starting Minimigrat   2   12021   25   25   25   25   25   25   25
-12로 -53로 13로	0 50 0 60	Style Global	Allaham Basas
	-	Singer & Friedburder Closed Funds Pic	Night
Ξ	Ξ	Societé Generale Group Street Sunter Sunter FF-5-76-74	Lieyth Book (CI) U/T Mgrs. PO fan 198 Schiefer James C1:34 754242
=	Ξ	STAN SERVICE SPRINGER STORE 25 - STAN SERVICE STAN S	Comparing test 15° Engly 16°91 efter 6.22
<u>.</u>	=	No	Hidiland Spok Fund Managers (Jersey) Ltd. PO Ros 70, 21 mars, Jersey Or Ros 70, 22 mars, Jersey Or Low-Protest 54, 27481 1 1,122 - 2,227 1,72 Day 3 1,237 1,237 1,727 1,727
(18.1.19.11.1.11)	Ē	US Growth Fd Pic \$10 (7)	Table 6.3834 (4.397) / Co   Manufact Frank Higgs (CI) Life (1.200)F   Tul Box 180 53 habou jumpsy   01.324 / 52777
Ξ	Ξ	National Lightery 20079 10 96 40 13 - National Lightery Ct 1546 40813 C 07 National Dates Lightery 2004 1372 41513 5.35	Karten Bilyanyai Breeth Palais († Carolina
=	=	E-copies (rigg Income   Dari (500)3 (3 -8075.57   Facility (1 August   1 Au	Hardh Armerican. 512 \$2.485, 2.564 6/12, 1.566 6/12, 1
==	Ξ	Yaine Express Food Pic	South Earl Anta Sty SIB 44 10 SB AC STU
-	Ξ	Yamalchi Samsung Dynamic Korea Fend	Lis Dollar Reset 315 52 524 2615 46386 124 Lis Dollar Reset 315 51.574 1875 46307 419
=	Ξ	Yellow Ses Investment Company PLC	Eldening 3 (3843 ed.) 475 US\$ 0 \$73.15 416 Cremis 0 (Minuse) 273
-	Ξ	Yuld Korte Fund	Term
+061	-	Yuki Tahuan Fund	Productini Food Managers (Jersey) List PO des 103 '4 (with Jersey J15:4 (4-6-25)
-201		ISLE OF MAN	Probabilit Correcty Fit Femority Vacancial Consense Fit Income (AS Pt 5 2110 2711 429 412 General Color of Colo
Fond P	lo _	(SIB RECOGNISED)	Royal Bank of Scottend Fd Signs (Jorney) List Po So. 443 Centure Hum. Minds. array. 21354 87-44 Burrage Site
+010	-	AXA Senity & Law left Ford Meters	Strendard Bank Fund Higher (Jersey) Ltd. PT Box 963. Id teller, servey Cl. Carling Reser. 5 173 300 2 955 44300 5 135 String Reser. 6 200 4437 4 54
+0.27	_	Victory Fins. Prospect Mill. Dougland John 1912:4 003003 Total Income Fo 54 9E 48d 107 52 -0 25 5A Autiliaci Dungham Intil Fund Migra (1800)F CW24001501 CW24001551	" manalest permitted specific "" "
-241	-	Act Managed 5 19854 0.8124 10 1.235 Act Managed 5 19854 0.8124 10 1.235 Act Managed 5 19854 0.8124 10 1.235	TSB Forst Munagers (CI) Ltd. P(18th NSt St Natur Japany Q1574 54505) TSB Stilling Investment Front Ltd.
+0.210		ADI NO MARKE CON 5 80 180 1 057 121 (1971 ADI NO MARKE CON 5 81 181 1 250 121 0 00	Sig Regreti Claste 2 3 77 Apr 114 51 64 51 64 51 64 61 64 62 64 65 64 65 64 65 64 65 64 65 64 65 64 65 65 65 65 65 65 65 65 65 65 65 65 65
-0.20	٠.	ADD RE Eng	In I quely 1 Use a series of ser
-005	-		Pyro Aprily (2015) - 1
+0.10	-	Auchteurtus Clabal Fumés List (1200) Victory Hea, Propiet Hell, Desglat. abl  O1624 EXT00: The State Control of Control o	Country State 1 1 12 Ltd 178 55 4,023 7 12 Manager State 1 2 12 Ltd 178 50 4021 7 2
+0.02	•	Bank of Ireland Asset Magnet (1000) Ltd. 4 Chatter has Doges 196 5 of Seat of Asset Date 1 1 1000 10 1000 1000 1000 1000 1000	JERSEY (REGULATED)(**)
-00s	٠	Institutional Equity . 5 PACE 1 1997 -97070 0.72	(MEGDEATED)("")
-	-	Citi Frend Monagher (Inkl)	Bank of Scotland Fund Managers (Jersey) Ltd
4001		Seating figs to	Standing Brand Criscs 07 04 100,754 -0.01
	-	Hierosary Franch Managers Artik List 12-13 Heir Street, Dompler sold March heir Portfolio	Barclays Infl Funds Asian Eduction Funds ASIAN
-0.07 -0.14 -0.00 -0.10 -0.10	5 50 1.51 0.00 1.51 1.01	Name Intil House (Inchi) Link Po Bru 22, 19-21 Decima Fil. Douglan \$1524 522600	Hong King
-0.10	1.01	Confident Infrage (Inchit)   Lod	Agents   \$7.781   \$7.77   \$7.00   \$24   \$6.   \$6.00   \$7.81   \$7.71   \$7.00   \$24   \$6.   \$6.00   \$7
Ξ	=	Operand R American Equity 5 SCCCC1 13 0349 - 0 7483 - 0 04440 Convention 5 14400 11.7785 - 0.2037 - 0.00440 13.0046 13.0047 - 0.00440 14.0047 14.0047 - 0.00440 14.0047 14.0047 - 0.00440 14.00440 14.0047 14.0047 - 0.00440	Thenamed
Ξ	5	Sun Life Management (lob); Ltd	Cater Allen Investment Measurement (CI)
Ξ	Ē	PO Box 22, Castinova, John 01074 CN131 Security in Income 8 CL1301 1.2719 -0.0075 770 United Renk Global Funds Pic	CA High Yeard Site Court: \$4.43
=	Ē	Victory House, Propert HIII, Dougham, IslA 01824 62000/ Global Equity	Carmenter International Asset Moret Ltd (CLASS) to ting team two ter . Et oten 1 1664 . 2007 . 4 cc. CAM formational found Tr GST1 (CST4 . 2007 . 4 cc. CAM Standing Bond Et 4082 (CST4 . 2007 . 6 cc.
lacket Pi	5.53	Beilbank Scandingston Fond Ltd 20-21, Denier Rd. Dosoin, 100	Chibanic (Ci) Ltd "Citionds"
-0.925 -0.998		Scandinada Fd 5 26430 263.52 1.00	Spally Pusicia Jupon Equity Jul 18 \$9 495 -C 170 -
-0.0012	Ξ	(REGULATED)(**)	Compa Appeta (St Jun 2 Fron 761 746
-0.015		Sulling Buying 4-of Tinks Prices Price - Brown	Chilbrank H.A. Lisra 2000 bet Jul 1 \$154.34 + +0.25 -
#2.055 #0.003 #0.008	· 🗄	For ATC Franci Mecongerment, sec Sylvata Intercentional,	Courts & Co (Jacoby) Fund Managers Ltd. Addapted Register Ltd. 2 Augus Mgt
-0.001 -0.001	Ξ	AXA Equity & Law Inti Frend Mgs European Equity	E Clarks O Fact has Migs E11 30 11 67 +0 63 8 Clarks O Fact has Migs E11 33 11 70 +0 04
ent +0.35	-	European Foulty	EBC Fund Managers (Jersey) Ltd EBC Restol Commey Fund UP NORTH THE PROPERTY 17 463 -0 051 103
-0.14	-	Bank of Irefund Asset Magent (10M) Ltd	Control SPECO PT-540 -0.000 -
mods Pic	5.39	701 (Mobel) Francis Into 1989 Quella	International Jacobs Fund* Emold Long Terms—UCS S23.00 34.4285 -0.0678 4.50 Emold Long Terms—UCS D400281 1125.79 -0.4347 1.47  * Other Pace mondet 152% Indias Charge
<u></u>	=	120   14   20.76   -117   -148   20.76   -117   -148   20.76   -117   -148   20.76   -127   -148   20.76   -127   -149	Floating Create
Ξ	=	Santing Coronacy	Reviews Frenching Streamperment (Austrony) Unit Carcin & Divine 1989 and 198 AN SAN SAN SAN SAN SAN SAN SAN SAN SAN
Ξ	Ξ	City Florencial Adjusts (Fibit) Ltd persons Assess A Vennous - Fibit - 1,872 - 0,00 Decision (plus a Vennous - 57,47 - 2,07 - 0,00 Contrass Reserve Assess - 104.10 - 104.16	Foreign & Colonial Maged (Jersey) 114
	=	Duncey Lawrie law, Mgt. List	Forwign & Colonial Marget (Jacrey) 11d Forwign & Colonial Management (Jacrey) 11d Forwign & Colonial Management (Jacrey) 11d USS Start form Austria 917 460 4007 175 AC 107 175
Ξ	=	DL Sterling	USS Reports   S10 4.34
Ξ	=	Cultur led Mayt field Lid	Longer   Bords     Equit 619   45 C27   108 Equitors   118 403   40 C85
	-	Scorting Trees Leading F   10 CO SCORT   10 CO SCORTING Trees Leading F   10 CO SCORT   10 CO SCORTING TO SCORT   10 CO SCORTING TO SCO	Condition (Control of Control of
-	-	Lower Shelling Plate Ltd C10.18 10.67 7.5684 7.5684 10.67 7.5684 10.67 10.67 10.67 10.67 10.67 10.67 10.684	Chief Cus Magazine Figs - Chief Civil Magazine Fig. 10 - Chief Civil Ma
~017 (#) (#)	0.00	Substantianal Food Magazament Ltd	Gold - C1 G47 - C26 Hong Rung Equilibra - E1 G47 - C26 Hong Rung Equilibra - HoS1 G000 Hose Rung Rungher Equilibra - H12 G21 - C26 Protected Coptian Place 6 C11 G51 - C26 Protected Cuptate Place 6 S10 726 - C26 - C36
=	E	ATC Transmission Dollar . \$19.50	Hambros Fund Magagore (Jersey) Ltd.
-0.15 -0.26 -0.20	:	1655 Microped Correcty . 81 D741 +9.9273 - Swiling Managed Correcty . 17.0511 +0.0518 - International Bond	SNC Capital 100d Thereda 7 1165 -0.1056 SNC Income Fund 10 7954 0 8455 -0.012 715 John Govett Ranagement (Jersey) Ltd
-0.15 -0.15 -0.10 -0.11 -0.08		Chabal Egaly \$1 1246 -0.0917 - Emerging Mariata \$1 515 -0.0907 - Pacific Egaly \$0.0074 -0.0907 - USS Belancial Portion \$1,1779 -0.0962 -	John Govett Management (Jersey) Ltd Coursi Auton Inv Co I of 80 00 File Galett Materians Hedge 52: 52: 17 752 - 0.00 Enwaged Materials (c. 51 32 - 8 fCor 11 04 Hanggreen to Co Jul 19 5 11 033 - 0.00
-0.17 -0.16 -0.17	:	South Africa \$1,2050 -0.0015	Emergraph Markets (c. 1971) 27 (1990) 17 (1991
4011	=	Europine Egirty Philip. Distr., 1457 -01978 Company Subsect Philip Distr., 1200 -01978 For Maker Spale, Global page late of May (200)	Earne Figure State and Medige 979 (2003) 13 (2000) 2 (2000) 18 (2000) 2 (20
nd Pic	_		Forest industry operator Sep 25" . 90 C3 IEL Contemporator
-0.00 -0.00	4.34	JERSEY (SIB RECOGNISED)	Ladyny Sallegaett   99.917-0   -
-yemec	d les	talt Hoter Salley Buying our Year Days Price Price Gra	MVESCO international Limited At luns and only trough where regular, Storing Department in house famile
	=	Alls Frand Mannagers (CI) 135 PO Ber, 468 St Heller Jersey 01554 863000 All Sedant Connect Front United	American Equaty sec 177 2270 2 4990 -0 0730 7 275 Junton to: A Godin 177 2750 1 2000 -0 2000 1 275
Pis +0.100	-	Starting Mgd Curr 5 173.2043 -41125 -	Starting Demonstrated Serveth Funds Plannar Highests,
-0.121	Ė	FCD Mayo Curr	Jupiter Tyndall (Jersey) Ltd
-0.176 -0.038 -0.652 +0.039	Ξ	Barciago international Funds PO Box 150, St Helio, James Cl 61534 812700	Kerry Investment Management Gerseyl Limited
+0.025 +0.028 +0.028	=	Facility Francis Australian (A. (1942) 574	Procitic Dynamin 517 70 - Annu Leongroups 37 54 -
*0.001	=	She Preside Income C 510000 - 4.9	Licycle Private Sanking (CD) List Licycles Booking Pag., 12 710   3/253   .   1 14
+0.000	=	US Deliar 238.56 -8.010 4.1 Deliachement 0872.00 +2.00 5.1 Ven Ven 0.0	Duning Mentay at Pharticay Levenheard Odfier (Jacramy) Ltd Partification France
+0.110 +0.076 +0.029 +0.029	=	Managed Matterdamory, C 61742 15.04 40.040 - Housepet Matterdamory C 529.90 31 07 +0.140 - Bond Peak State Company of the Co	Orings (16)
-0.057 -0.100 -0.128 -0.048 -0.048	=	For Citythic House the Harvisch Funts Managem	Class A 4105 Model
-0.03	=	For Charles and Indiana (CE Recognitions)	Class Full . Dec Dic - Clas
+0.029 -0.134 -0.056	Ē	Carboner Fond Managers Intl Ltd (2) FO No. 278, 45 La Matte CL. Jersey 071534 805038 Suriness Godini Strategy Fund Ltd	Cons. J (279)
-0.051 -0.051	Ξ	150 Migraty	Cars F (477 - 25716) -0 25 - 25 - 25 - 25 - 25 - 25 - 25 - 2
-0.007 -0.051 -0.051 -0.018	=	WENT STREET	CHANGE OF THE PARTY OF THE PART
_	_	570 Olohu Correct 21.1440 -3000 0.60 United linguist. 5 C3.7900 10.062 1.25 UR Seatler Computes 5 C1.49604 -0.960 0.00	Chair Ti (New York 1994) - 1994 - 199
and Pic	-	North America 5 07 8980 -4270 0.00 Lulia America 5 01 1740 -4.0050 0.00 U.S Septier Companius 5 01 4370 -8810 0.00 Emerging Mets 5 32 277000 -0.000 0.50	Chap 32 PAG (Stort) CHYG 75 ~ CHYG 75
-0.01	-	Global Princetons	Check 1 CFFF (March Count ) 57/05 -001 - Check 23 EFF black count   57/10 17 -006 -
-0.002 +0.005 +0.008 -0.008	Ξ	Actin Pacific   5 94 90504   40570   100 Horg sung and Calon   5 94 90504   40570   40570   100 Coloneated Caroline   5 940 940   40570   805 Coloneated Caroline   5 940 940   40570   8057	Lagregici Financial Syrvices Limited
- <b>e.00</b> 15	_	Jam Sandy Continue. 1011.70 -1480 000	Mortante imeniment \$10.50 11.00 Mortanty Acont Mays Channel Inhusts Ltd.
4000 4000 4000	Ξ	Company   Comp	Brenny Mr. \$174.27 163.45 -0.67 Memory Book Set 10 \$20.23 10.78 \$281 Memory Book Set 10 \$25.00 A 48
-2.0004 -0.0000 -0.0003 -0.0000	-	John Counti (Chastel Islands) Ltd (1808)F AG Iga, Grandi St. St Haller, James 01534 St 222	Miscriat Gold & General . \$1.94 2.05 -0.02 -
-0.0005 -0.0015 -0.0011 +0.001	=	Next can Horizon 5-2 \$23.30 Tables 40.800 0.00 Space Small for lad group Securit Fundama; Poline Court 5-5 \$25.64 4.157 +0.001 5.25 Exclusions Footh 5-5 tection 16.280 -0.005 2.30 Exclusions Footh 5-5 \$25.00 0.005 2.30 2.30 Foother Court Footh 5-5 \$25.00 0.005 2.30 2.30 \$25.00 0.005 2.30 2.30 2.30 2.30 2.30 2.30 2.30 2.30	Conf   Everyto   Fd
-9.55	-	Total Country All Street Country Country Country	

foi

br. sit th

Not

ing Inv

reg Bri

act for mc

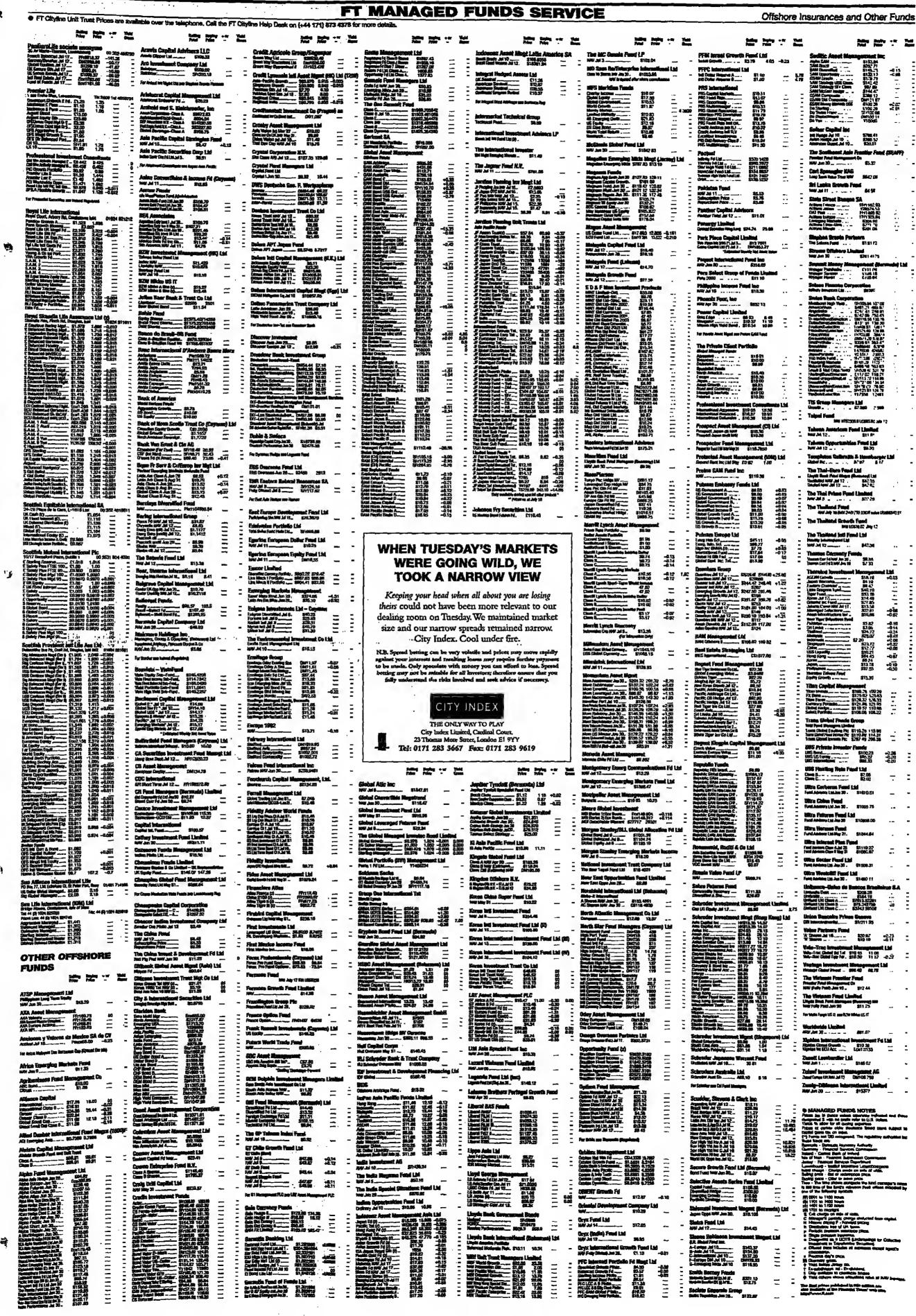
26-

FT MANAGED FUNDS SERVICE Offshore Funds and Insurances ● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details LUXEMBOURG (REGULATED)(\*\*) -0.9736 -0.0279 -0.0845 -0.8747 \$2.5250 \$2.1186 \$2.3535 \$2.3511 \$12.84 Y418 19.53 K Egally ....... Jugʻildiri. Panis Jugʻildiri. Sanda +0.15 +0.13 +0.10 +0.12 -8.08 -8.09 -6.08 -0.05 884.97 (383.78 (384.90) 55.75 55.49 53.15 1647 Fidelity Funds (#) -07 -07 -611 -611 77.11 77.A4 \$22.14 \$10.87 4514.59 \$2.563 \$4.63 \$4.62.45 \$4.62.53 \$1.4100 \$1.170 \$2.176 \$0.268 \$3.403 \$4.403 \$4.403 \$4.403 \$5.403 \$5.403 \$5.403 \$4.403 \$5.403 \$6.4 57 A1 \$17.36 516.41 511.18 510.57 **LUXEMBOURG** ISIB RECOGNISEDI 15 12 1.891 +0.907 0.21 2.007 +0.015 0.00 2.382 +0.009 0.23 1.080 +2.001 0.00 2.382 -0.019 0.50 2.582 -0.004 0.75 1.500 +0.001 7.61 0.927 +0.001 7.61 -0.18 -0.14 -0.06 -0.06 -0.13 -0.15 \$17.10 \$16.67 \$11.67 \$10.74 TOW Leganderson Funds \$12.74 \$12.74 Sca11.35 97.079 \$5.518 101.250 11796 -0.03 -0.04 -001 544 +0400 577 - 579 - 739 -3 261 \$0.98 \$4.90 \$3.43 \$3.36 -001 10.40 \$15.51 \$10.75 -0.00 -0.05 +0.01 -0.01 -0.01 \$10.82 \$10.76 \$10.55 \$10.51 nity Fund M erey Trest SICAV +0.00 L10765 L3075 L3075 L3760 L7751 L11508 L57781 L8741 L10081 L11087 L9166 L9629 L139249 D110133 Foreign & Colombal Emerging Markets Ltd (a) Exchange No. Princes St. Ldn. FCSA 2017 07 Y1-628 1234 12.17 -0.40 -9.00 -0.28 +0.02 -0.10 \$1425.74 \$2185.41 \$1846.29 043267.83 \$1695.56 For1044.60 \$457.20 \$1563.66 -034 -050 -050 -010 WHITEHTHUR' Fund Mount Co (Lss) SA ment S.A. (u) (20 et & Ontlone SICAV -0.05 -0.05 -0.05 OFFSHORE Pictat Group SF/2251 SF/233.2 DM280.1 DM280.1 280.73 E85.11 £110.53 £78.63 Section Formation State 1 (1998)

Fried Life Injection (1991)

Fried Life REG Global Funds





Libyth Bank Government Branch Indiand Street Street Horizo Parlamenta Might Spice

Lloyds Bank intermitianal (Sphannes) Ltd. Units America Public Reference Medicala Pape, \$10.11 | 10.24 | ... |

Germatin Bunking Ltd

Bernatin Further State States States

Surantin Fond of Funds Ltd. Se unit hatmat Julia. \$1.201000 Ser B \$7 Septy est Julia \$1.20015 Section Language Land. \$1.157005

Crys Indian Front Ltd
Way Int 12
Crys International Growth Fond Ltd
We Fee Change Inc 12
Crys International Growth Fond Ltd

Smith Berney Frieds

West Smith Sent of Market Smith Smith Smith St. Market Smith St. Market Smith Smi

H. ITHIN

1144 WZ1WA WWW

I SAL! INT. BOUNDED

THE PERSON NAMED IN

The State of State of

the relate text is \$

Tarting Name Colonial I

25.4

ीं के के क्सी मिलों की बीच को क्या मिली मिलों को क्का मिलों मिलों को भारत के अपनी मिलों मिलों मिलों में अ

0.7 100.2 3.9 e in e

25 7453 142

H HAR

ΕU

foi br:

sit th

Nor sell to yea bell ing Inv reg Bri pro ... ces yea cu aci fol mc ye. en bri

po mc th

pu ar su

+ or 52 week Met
- high low Capelon
+2 ETH 5773 1,190
+1 EASH 516 146 15649
+3 144 120 001.5
-3 145 120 001.5

LONDON SHARE SERVICE ALCOHOLIC BEVERAGES HOUSEHOLD GOODS 場に 書きて というとのは とのは とう المنه | | المنعج المستعم إلا | المنتخف فيتسبط | | | | | | المسلم لما المال إلى | إلى | إلى | إلى | إلى المالية إلى إلى أمالية إلى أمالية إلى المناطق المناطقة المناطق DISTRIBUTORS र्केष्ट्रेस्स्ट्रेस्स् इस्टेन्स् स्थितिकास्ति । इस् अन्तर とはなるのではなること THE WASHINGTON TO SELECT THE WASHINGTON TO SELECT THE WASHINGTON TO SELECT THE WASHINGTON THE WA 1965年196日 1966年 1 が、 ののでは、 のでは、 ののでは、 ののでは、 ののでは、 ののでは、 ののでは、 ののでは、 の。 ののでは、 ののでは、 | | Fast | | Last 101.0 10.7 103.4 18.4 | Control | Cont DW MU 744 9.8 23-9 10.4 13-1 10. TOO PRODUCTION OF THE PROPERTY entire company down, by chewing through 

STATE OF THE STATE

JA4100 150

FINANCIAL TIMES THURSDAY JULY 18 1996 LONDON SHARE SERVICE MY TRUSTS SPLIT CAPITAL - CONT. SUPPORT SERVICES - Coat. Territoria Agin Feli Corre Agi

13764

TRADING VOLUME

Vot Change Conta

2,500 1,900 2,100 2,100 2,100 1,900 1,900 1,1900 4,500 4,500 1,100 8,200 1,100 8,200 1,100 8,200 1,100 1,200

3,900 1,900 1,100

#### LONDON STOCK EXCHANGE

#### MARKET REPORT

### Equities take heart from big Wall Street rally

By Steve Thompson, UK Stock Market Editor

Wall Street's startling recovery on Tuesday night gave London's equity market a much needed boost yesterday. The Dow Jones Industrial Average, which had been some 160 points lower at one stage on Tuesday, eventually closed nine points

And European markets, including London, were given a further shot in the arm when Wall Street opened for business yesterday afternoon. The Dow raced up more than 60 points, only to slip back rapidly later in the session.

Helping UK shares build on a

bright start to the day was some encouraging economic news, which included better than expected fig-

ures for average earnings. On the other hand the market was unsettled by the minutes of the June meeting between Mr Kenneth Clarke, the chancellor of the exchequer, and Mr Eddie George, gover-nor of the Bank of England. These revealed tha governor's unhappiness over the chancellor's decision to cut UK interest rates at that

The split between the two saw gilts relinquish their initial small gains and eventually finish little

By the end of the day the FT-SE

100 index had recouped 25.9 of Tuesday's loss, at 3,658.2, with market observers noting the recapture of the 3.650 level as a healthy signal.

Second liners fared much less well, with the FT-SE Mid 250 index only managing to recapture 6.4 of the previous day's 90.6 drop and closing at 4,207.4. The Mid 250 was burdened by a handful of profits warnings from constituent stocks, including Iceland, the frozen food retailer, and English China Clays.

There was more had news for the recent high-flying biotechnology stocks, with British Biotech, the flagship of the sector, taking another pounding and slipping in excess of 3 per cent ahead of news

that only half the £144m rights call the bottom of the markets."

Another said investors sho the rest with the sub-underwriters. Dealers said many of the bears of British Biotech in recent days

would look to close their short positions by acquiring stock when the rump is placed in the market. Seasoned traders in London expressed their astonishment with Wall Street's overnight performance and remained dubious about the DS

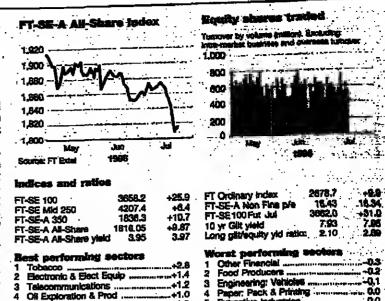
One head trader said he felt the Dow had now fallen far enough in the short term but warned: "The Dow and the UK market don't feel comfortable at all: it's too soon to

market'a ability to maintain the

Another said investors should expect "savage spikes for some time to come; the markets at the moment are not for the faint hearted".

One of the biggest disappointments in yesterday's performance by UK stocks was the continuing poor level of genuine retail, or customer, business. Much of trading activity is between marketmakers. Turnover at 6pm just managed to creep over the 600m-share mark, settling at 601.3m, of which 54 per

cent was in non-Footsle stocks. Retail business on Tuesday, when the market looked set at one point to register its biggest one-day fall for almost four years, was £1.8bn.



+31.0

+3T.0

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) \$10 per full index point

3662.0

4208.0

### Mood improves on BAT

BAT Industries, the tobacco and insurance conglomerate, rose 13 to 498p, shareholders encouraged by a UK decision that legal aid would not be granted for smoking claims.

Current action involves 300 people seeking damages of £15m. If the action had succeeded, however, it is estimated that some 200,000 cases, collectively claiming damages of £5bn to £10bn, could have

In fact, BAT does not sell cigarettes in the UK and any financial effect is likely to be minimal. But the news contributed to a gradually improving attitude to the company.

The shares have underperformed the Footsie by 9 per cent over the past year, Merrill Lynch and SGST were positive on the company in the wake of a restructuring announcement by BAT earlier this week. The shares were also helped by strong profits figures from

#### Iceland shivers

Philip Morris, of the US.

Analysts lowered full-year pre-tax profits forecasts for Iceland, which fell 24 to 118p the worst performer in the FT-SE Mid 250 index - follow-

ing a profits warning.
The company said that in late May it had launched a new Pricewatch initiative, designed to sharpen its prices, but in the short term it was baving an adverse impact on its buying However, tha recovery in SBC Warburg reduced its forecast from £72.5m to £61.5m,

while Paribas cut its estimate by £7m to £70m. Analysts said pressure on sales would continue as the popularity of frozen food was in relative decline and the superstores were improving their competing products. The warning had a knock-on effect on Kwik Save,

which fell 7 to 431p. Tesco rose 6 to 284p, with some analysts speculating that it will not now come to the rescue of Docks de France. However, one analyst said this line of thinking was premature, as Tesco did not have to make a decision until July 23.

#### Slip for ECC

English China Clays fell out of favour after the group warned of deteriorating trading conditions in its European minerals operations and lower margins at AmPac, its US sub-

sidiary. The shares surrendered 11 to 243p, as many brokers moved to downgrade current year profits expectations following the downbeat trading update. Profits predictions were reduced to around £65m.

Wolseley, the builders merchant and electrical accessories and agricultural machinery group, climbed 18 to 439p. the day's best performer in the

With around 50 per cent of the group's turnover derived from the US, the stock is easily affected by economic sentiment in that country. Thus Tuesday's retreat on Wall Street saw the shares fall back heavily in London.

both US and UK markets, comhined with bargain hunting, helped bring about yesterday's rally in the stock.

Hanson, whose cigar division yesterday announced the acquisition of Dutch cigar manufacturer Cadena Claassen, remained weak. The shares gave up another 3% to 157%p, in trade of 8.1m.

Rank Organisation rose 13 to 478p, with Henderson Cros-thwaite forecasting it will soon reach 500p and recommending the shares as a "strong buy". Henderson feels that Rank has been heavily oversold and that news from its interim results on August 8 will be positive.

Among telecommunications stocks, Orange, a weak market of late, bounced 6 to 188% p in trade of 4.7m. Around 35 per cent of the stock is held by US investors and it was US buyers that were said to be taking advantage of the recent fall in

the stock. J.P. Morgan was also said to have issued a buy note on tha shares.

BT saw buyers ahead of today's annual meeting and the shares closed 4 ahead at 356%p after heavy trading brought volume of 11m. Cable and Wireless was also wanted, adding 8 at 407p. Strong two-way business in Vodafone saw turnover rise to 15m. The shares edged up to 219p.

Data processing group CMG was the best performing stock in the FT-SE Mid 250 index as the market cheered tha appointment of a new chief executive. The shares immed 25 to 578p.

Among engineers, Hunting. which issued a profits warning on Tuesday, eased another penny to close at 142p. Nat-West Securities said: "Barring some major positive news on the defence side, the shares are likely to remain in the doldrums for some time.

TO SAVE ALL

THESE TREES WE
HELP CHOP

DOWN THIS ONE.

V V

valuable to loggest than other trees in the

So a WWF project in Costa Rica is

cescarching ways of felling a tree without bringing down several others around it.

And how to cemore it without buildering a path through the sucrounding trees.

If the minimum are used wisely, they can be used forever. Help WWF prove

#### ENAUCIAL TIMES EQUITY INDICES

	Jul 17	Jul 18	Jul 15	Jul 12	Jul 11	Yr ago	High	"Low
Ordinary Share	2678.7	2688.8	2729.1	2743,2	2760.8	2550.1	2865.2	2668,8
Ord. div. yield	4.16	4.17	4.10	4.03	4.03	4.16	4.12	3.76
P/E ratio net	15.86	15.80	16,09	16.38	16.38	15.99	17.25	15.80
P/E ratio nil	15.77	15.71	16.00	16.29	16.29	15.75	17.03	15.71
Ordinary Share Inde	x since co	mplation	high 2005.	2 19/04/90	k low 49.4	28/06/40.	Base Date	E 1/7/35.
Ordinary Share	hourly ct	anges						

Ordinary	Share 9.00	_		12.00	13.00	14.00	15.00	16.00	High	Low
			2676.9							
			Jul 17	Jul	16	Jul 15	Jul 1	2 4	# 11	Yr ago
SEAQ be	rgeins		29,690	3 34	625	30,393	28,2	00 2	6,192	22,500
Equity tu	TOVET	€mit		- 18	04.2	1284.7	1785	12 1	703.4	1452.4
Equity by	argains )	•		- 40	228	37,025	33,2	54 3	3,115	33,752
Shares to	redard to	nfit .		. 4	DAR	547.7	815	A	537.5	SER S

1Excluding intra-market business and overseas tumos Jul 17 Jul 18 Jul 15 Jul 12 Jul 11 Yr ago 'High 1037.00 1029.60 1050.50 1052.10 1073.10 - 1140.40

■ London murket data

Piece and falls\* Total Filses Total Falls 52 Week highs and lows LET'E Equity options 17 102

Talk that the government may at last announce a big defence order today lifted Brit-

hardened 14 to 945p. Blenheim, the conference and exhibitions organiser, improved 5 to 443p on expects tion in the market that a takeover offer might emerge. United News & Media, which is believed to be interested in Blenheim, fell 9 to 620p.

Medeva, the pharmaceuticals group, rose 7 to 234p on better interim figures than analysts had expected and a confident

statement on prospects.

British Biotech, which had been trading higher earlier ahead of the completion of its rights issue, slipped back in the afternoon to close 57 lower at 1963p. At that level the stock was well below the 2050p price of the rights offer, only half taken up at completion yesterday afternoon. Scottish Power moved ahead

9 to 316p after the generator declared that it had received valid acceptances in respect of 64.57 per cent of Southern Water, up 5 at 1034p, and that its bid was now unconditional. It was also apportinged that Electrabel, a Belgian utility, had bought a further 3m Scot-

tish Power shares and now held 1.87 per cent. Argos rose 17 to 696p and Next put on 12 at 519p, with both stocks bouncing back after marketmakers cut prices

earlier this week. Carpetright fell 19 to 535p, with one broking house moving from "huy" to "hold". Allied Carpets shortly will come to the market and analysts believe there could be some switching into it from Carpetright.

Speculation that the Monopoies and Mergers Commission may pronounce today on whether it would allow bids for Lloyds Chemists were said to be responsible for it rising 18

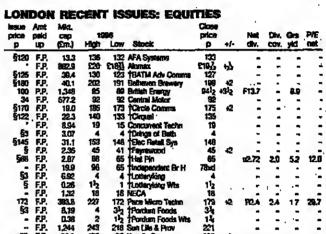
Results more or less in line

**FUTURES AND OPTIONS** with expectations lifted H.P. Bulmer by 3 to 589p but # FT-SE 100 INDEX PUTURES (LIFFE) \$25 per full index point adversely affected Matthew Clark, another large cider maker, which fell 13 to 717p. An analyst said the fall in Matthew Clark was misjudged, FT-SE MID 250 RIDEX PUTURES (LIFFS) \$10 per full index point as it had been marked down last week after explaining that it had lost market share FT-SE 100 PIDEX OPTION (LIFFE) (\*3555 ) \$10 per full index pom

because of major restructuring. Marston Thompson & Evershed fell 15% to 284%p after Kleinwort Benson moved the stock to a "sell".

A big placing helped Dana Petroleum improve 2% to 17%p. Tha company placed 28.5m shares at 14p a share to raise £3.99m. It said part of the proceeds would be used to fund an early production programme at the company's Sortymskove oil field in Siberia.

MARKET REPORTERS: Peter John, Joel Kibazo, Lisa Wood



Calls 2,026 Pets 5,442 \* Under † Long dated expiry months.

# FT GOLD MINES INDEX

■ Regional Indicas 2759.21 -1.4 2799.03 2701.13 2.58 38.07 3553.86 2272.74 Africa (13) 2139.30 -1.1 2209.37 2571.64 1712.91 -3.5 1775.71 1787.32 19.99 2827.34 2138.30 60.93 2186.39 1488.94 acial Three Limited 1996, "FT Gold Alines Anders" is a trademark of The Financial as in brackets show number of communics, Bests US Dollars, Sees Values; 1000,00

#### I.T - SE Actuaries Share Indices Day's Year Jul 17 chge% Jul 16 Jul 15 Jul 12 ago 4.15 3.54 3.64 4.02 5.37 2.78 3.13 3.33 3.95 FT-SE 100 FT-SE Mid 250 FT-SE Mid 250 ex hav Trusta FT-SE-A 360 2.13 1.73 1.77 14-12 108-26 1503-05 +0.7 3632.3 3696.3 3728.3 3405.3 +0.2 4201.0 4291.6 4316.5 3759.3 20.42 116.03 1696.89 19.41 122.31 1716.16 15.14 61.68 1542.44 12.20 65.10 1243.43 +0.1 4237.1 4327.1 4352.4 3769.4 40.6 1825.5 1860.0 1874.2 1694.4 +0.6 1754.5 1782.3 1797.8 1688.8 +0.6 1903.5 1944.8 1957.7 1703.1 FT-SE-A 350 Higher Yield FT-SE-A 350 Lower Yield FT-SE SmallCap FT-SE SmallCap et knv Trusts FT-SE-A ALL-SHARE 19.43 38,46 1329.03 \_\_\_ 2091.76 2136.30 2147.77 1891.75 \_\_\_ 2092.57 2135.30 2147.34 1866.43 +0.5 1808.18 1842.72 1856.40 1674.67 23.21 39.56 1723.25 20.73 41.85 1734.15 15.57 49.76 1550.65 E FT-SE Actuaries All-Share Day's Year Div. Not P/E Xd adj. Total Jul 17 chge% Jul 16 Jul 15 Jul 12 ago yield% cover ratio ytd Return +0.6 3460.61 3516.43 3545.79 2868.04 2.84 1.83 17.80 79.25 1503.46

	middler extraoriones	3409/40	-0.0 3400.01 3310A3 3343.78 Z		1.83	17.80 79.25	1503.46
	Extractive industries(6)	3967.97	3988.99 4029,16 4086.57 4		2.52	12.83 109.18	1173.53
18		3597.13	+1.0 3562.61 3626.15 3654.20 2		1.72	18.24 81.84	1589.54
16	Oil Exploration & Prod(15)	2441,92	+1.0 2416.48 2441,39 2451.97 2	010.73 2.15	1.58	36.77 34.94	
20	GEN INDUSTRIALS(276)	1965.32	+0.6 1954.31 1992.62 2011,03 1	979.53 4.39	1.88	15.13- 51.00	1081,47
21	Building & Construction(34)	1135.47	+0.2 1133.44 1160.21 1167.32		1.57	20.54 21.93	
	Building Matte & Mercha(29)	1826.55	+0.5 1818.22 1850,05 1875,91 18		1.72	17.30 47.17	929.15
23		2399.83	+0.3 2392.87 2438.44 2439.61 24		1.96		
24		1479.55	+0.5 1471.82 1506.79 1528.33 1		1.89	15.35 81.39	
25		2249.44	+1.4 2217.74 2266.45 2310.59 1			10.50 58.29	835.25
26		2399.08	+0.8 2380.24 2421,72 2431,41 2		1.61	22.45 55.68	
27		2937.35			2.45	15.35 48.76	1465,21
	Paper, Pokg & Printing(26)	2558.88	-0.1 2941,72 3015,99 3042,21 2		1.88	17.68 54.61	1525.94
20	Textiles & Apparet(19)	1312.53	2658.81 2684.51 2601.02 3°		, 1.89	15.63 59.07	1072.84
			+0.2 1909,92 1833,69 1834.61 10		1.59	14,62 42.56	810,35
30		3493.20	+0.6 3471.78 3530.90 3543.69 3		1.87	16.64 81.64	1297.55
	Alcoholic Beverages(9)	2686.78	+0.5 2673.22 2733,45 2752,64 27	771.80 4.67	1.88		975.28
	Food Producers(24)	2456.40	-0.2 2463.46 2498.16 2500.18 25	21.95 4.23	1.95	16.95 66.20	
	Household Goods(15)	2533.08	+0.1 2530,87 2578,98 2589,68 26	81.80 3.93	2.14		972.03
36	Health Care(20)	2037.92	+0.2 2033.39 2068,16 2076,80 18		2.15		1245.30
37	Phermaceuticals(13)	5056.70	+0.6 5028.84 5128.65 5164.00 41		1.86	20.07 81.18	
38	Tobaccos(1)	4218.50	+2.8 4104.14 4088.91 4049.08 41		2.12		1720.89
40	SERVICES(258)	2438.98				9,76 156,18	
	Distributors(31)		+0.8 2430.65 2482.66 2489.81 21		1.97	21.54 52.85	1277.29
		2777.58	+0.1 2773.83 2636.97 2836.90 26		1.70	23.48 51,08	1029.60
	Lelaury & Hotels(24)	3041.27	+0.5 3025.03 3081.01 3106.15 28		1.89	22.72 152.38	1643.22
	Media(46)	4034.03	+0.3 4020.63 4124.69 4167.28 31	56.33 2.26	1.88	29.42 54.14	1403.68
	Retailers, Food(14)	1933.53	+0.3 1927.59 1950.59 1970.19 21		2.32		1240.86
	Retailers, General(43)	2016.04	+0.3 2009.04 2067,63 2081.32 17	04.88 3.13	2.12		1162.17
	Breweries, Pube & Rest.(24)	3083,33	3052.91 6132.61 3140.44 25	85.98 3.33	1.95	19.28 52.87	1487 70
	Support Services(40)	2559.09	+1.0 2346.35 2422.29 2427.75 16	71.41 1.98	2.25	28.35 32.78	1512 47
48	Transport(22)	2533.64	+0.2 2329.86 2333.15 2345.43 23	25.11 3.49	1.49	24.06 85.92	381.07
80	UTILITIES(SS)	2224.06	+0.8 2204.87 2243.60 2263.71 24		2.01		
62	Electricity(11)	2236.48	+0.8 2318.11 2357.75 2554.47 24	10.49 6.95		10.80 129.10	977.67
	Gas Distribution(2)	1250.95	+0.8 1241.23 1268.42 1268.67 19	10.42 0.35	2.49	7.22 404.44	
	Telecommunications(3)	1889.90	10.0 1211.23 1200.42 1200.07 18		1.36	9.61 66.67	656.13
	Water(12)	2109.92	+1.2 1868.00 1907.64 1900.79 21	23.42 4.28	1.78	16.33 12.56	860.73
_			+0.1 2108.28 2116.41 2118.18 18		2.33	8.55 88.50	1189,92
<u>68</u>	NON-FRANCIALS(668)	1931.30	+0.8 1920.22 1956.56 1972.86 18	02.56 3.96	1.92	16.43 53.72	
70	FINANCIALS(105)	2842.17	+0.4 2830.49 2882.84 2893.07 24	10.36 4.24	2.63		
71	Banks, Retail(3)	3976.33	+0.3 3983.76 4047.90 4053.05 32			11.20 79.12	
	Banks, Merchant(6)	3470.01	10 4 246E DE DELA ED DESE	65.78 3.91	2.89	11,04 110,04	1309.48
	insurance(23)	1386.04	+0.4 3455.85 3516.52 3553.45 36		2.50	17.53 63,39	1107.42
	Life Assurance(6)	3387.99	+0.8 1374.48 1389.43 1406.05 13		3.17	6.61 48.33	1051 N4
	Other Financial(21)		+1.0 3354.44 3388.37 3388.55 27		2.24	12.66 100.72	1420.27
		2457.46	-0.3 2474.24 2563.69 2586.58 21		1.81	18.27 82.05	1418.56
ns	Property(41)	1498.85	+0.8 1492 17 1810 58 1513 95 14	76,60 4.28	1.26		929.63
_	INVESTMENT TRUSTS(126)	3022.01	+0.5 3007.63 3085.39 3103.18 28	75.32 2.32	1.11	48.33 43.60	
89	FT-SE-A ALL-SHARE(969)	1818.05	+0.5 1808.18 1842.72 1856.40 18	74.67 3.95	203 .		
-T.9	E-A Fledgling	1201.95			_	15.57 48.76	
	E-A Fledgling ex liny Trusts	1215.85	+0.1 1200.53 1227.32 1231.07 10	20.68 2.90	2.48	17,92 18.91	1281.43
-31	CAN LANGUAGE OF THE HOUSE	12 10.85	+0.1 1214,72 1241,19 1244,50 10	12.27 3.12	2.68		1276.90
				_			
	iouriv movements						. 1

	Ореп	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.40	High/day	
FT-SE 100 FT-SE Mid 250 FT-SE-A 350				75-01-0	92317.1	3658.7 4207.6	3862.6	3664.1 4211.3	3658.0	3668.8 4212.3 1840.8	2045 4
iron of STARE 100 Da	e/a hlofa 2:39	PM Davie	har 10-92								

FT-SE Actuaries 350 Industry baskets

Sidg & Cristron   1131.1   1132.2   1132.7   1134.9   1135.4   1135.6   1153.2   1139.1   1133.3   1132.6   1128.9   +3.7     Pharmaceuticis   Webs.   2098.1   2100.1   2095.5   2084.2   2086.3   2086.6   2084.8   2084.8   2085.9   2094.4   +1.5     Barks, Retail   4028.2   4028.5   4018.1   4008.0   4012.1   4012.5   4018.8   4028.3   4027.2   4027.1   4014.4   +12.7														
Hours 2008.1 1132.2 1132.7 1134.8 1135.4 1135.6 1132.2 1133.1 1133.3 1132.6 1128.9 +3.7 Pharmaceutides 4998.4 4988.2 4992.1 4994.5 5003.9 5008.6 5018.0 5021.2 4998.2 4993.5 4983.0 +30.6 Barks, Retail 4028.2 4026.5 4018.1 4008.0 4012.1 4012.5 4018.6 4028.3 4027.2 4027.1 4014.4 +12.7	ı		•					13.00	14.00	15.00	16.10	Close	Danis	C
		Water Benks, Retail	2098.1 4028.2	2100.1 4026.5	2100.1 4018.1	2095.5	1135,4 5003.9	1135.6 5008.6	1193.2 5018.0	1199,1 5021,2	1133,3 4998.2	1132.6 4993.5	1128,9 4963.0	+3.7 +30.5 +1.5

Additional information on the FT-SE Actuaries Share indices is published in Saturday issues.

"The FT-SE Actuaries Share indices are calculated by FT-SE international Limited in conjunction with the Faculty of Actuaries and Institute of Actuaries Share indices are calculated by FT-SE international Limited in conjunction with the Faculty of Actuaries share indices are calculated and the institute of Actuaries. "FT-SE" and "Footise" are trademarks of the London Stock Exchange and the Francial Times Limit are used by FT-SE international Limited under Scenes, Auditor: The WM Company." † Sector F/E ratios greater than 80 and of covers greater than 80 are not shown. ‡ Values are negative.

#### MONTEOISON

NOTICE TO THE STOCKHOLDERS

A - REVERSE SPLIT OF THE ORDINARY SHARES AND REPLACEMENT OF SHARE CERTIFICATES Reverse split and share replacement operations affecting the outstanding ordinary shares of Montedison Spa (Ref. UIC 8471) will take place commencing July 22, 1996. The operations implement resolutions of the stockholders at the Extraordinary Meeting held on June 13, 1996, approved by the tribunal on July 11, 1996. The existing 740-fira per value shares will be replaced by new 1,000-fira shares, in the following ratio:

37 new ordinary Montedison shares of Lire 1,000 par value (Ref. UiC 107284) with dividend rights as from 1.1.96, Coupon No. 21 and higher for each block of 50 old ordinary Montedison shares of Lire 740 par value (Ref. UiC 8471) with dividend rights as from 1.1.96, Coupon No. 4 and higher.

The arrangements for the reverse split and replacement operations are as follows:

Shareholdings administered centrally by Monte Titoli carried out by Monte Titoli via its accredited agencies, in accordance with instructions from

 Other shareholdings
 carried out at the Montedison Securities Office, Foro Buonaparte 31, Milan, or at the offices
 of the accredited agencies listed below, against receipt of the existing share certificates,
 accompanied by the necessary form. As from October 1, 1996, these operations will be effected exclusively at the Monteclison Securitles Office, Foro Buonaperte 31, Milan.

Under an agreement between Montedison Spa and ROMA-SIM Spa to facilitate the operations, the latter company has appointed agents to effect dealings on behalf of stockholders. On request, the agent will carry out the transactions needed to adjust the holding to 6 whole number of new ordinary shares, based on the reverse split ratio of 37:50, involving dealings in old shares or fractions of new shares. Such dealings will be based on the shares of the shares or fractions of new shares. stockfloridars. On request, the agent will carry out the transocious ineques to author the holding to 6 whole number of new ordinary shares, based on the reverse split ratio of 37:50, involving dealings in old shares or fractions of new shares. Such dealings will be based on the calendar-month average settlement price of Montedison ordinary shares published by Stock Exchange Council in the Italian Stock Exchanges' Official List for the preceding month, The replacement of share certificates will be free of charge, as will the dealing services just

Under arrangements with the Stock Exchange Council, the old Montedison 740-lira ordinary shares (Ref. UIC 8471) will be quoted on the Italian Stock Exchanges' telematic market through July 19, 1996. As from July 22, 1996, only the new Montedison 1,000-lira shares (Ref. UIC 197284) will be quoted.

The corresponding operations in respect of old issues of Montedison ordinary shares or of shares in companies earlier absorbed by Montedison can be arranged only via the Montedison Securities Office, Foro Buonaparte 31, Milan.

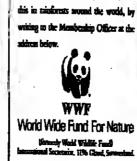
8 - EXCHANGE RATIO ON EXERCISE OF MONTEDISON WARRANTS 1994-97 The abovementioned extraordinary meeting of the stockholders held on June 13, 1996 also approved a change in the basis for exercising warrants indicated in Clause 2, Point 1 of the Rules. Effective from the day following the meeting just mentioned, the new ratio is: 37 new Montedison 1,000-lina ordinary shares (Ref. UIC 107284) for 100 warrants, at an exercise price of Lire 1,000 per share.

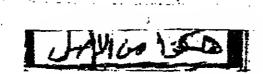
Montedison Spa has engaged ROMA-SIM Spa to carry out, at the request of the holders, such dealings in the warrants as are needed to adjust holdings to 100 warrant or multiple thereof. This service will be provided free of charge.

Agencies accredited for the reverse split and share replacement operations. In Italy: Monte Titoli (in the case of the securities it administers), Banca Commerciale Italiana, Credito Italiano, Banca di Roma, Banca Nazionale del Lavoro, Rolo Banca 1473, Banco Ambrosiano Veneto, Cassa di Risparmio delle Provincie Lombarde, Istituto Bancario San Paolo di Torino, Banco di Napoli, Banca Monte del Paschi di Siena, Banca Nazionale dell'Agricoltura, Banca Popolare di Milano, Banca Popolare di Novara, Banca Popolare di

Abroad (agents of Italian banks): Société de Banque Suisse - Basle and Zurich; Union de Banques Suisses - Zurich; Banca della Svizzere Italiana - Lugano; Banque Indosuez - Paris; National Westminster Bank - London; Banque Bruxalles Lambert - Brussels; Deutsche Bank - Frankfurt am Main; ABN-AMRO NV - Amsterdam and Rotterdam; The Bank of New York - New York.

MONTEDISON Spa - Registered Office in Milan at Foro Buonaparte n. 31 Share Capital L. 4,675,407,578,000 fully paid: Milan's Register of Companies no. 310653





The section will the

Spends page	FINANCIAL TIMES THURSDAY JULY 18 1996 *	27
	Highs & Lows shown on a 52 week basis WORLD STOCK MARKETS	
Mayor Stands Van	WORLD STOCK MARKETS  WORLD STOCK MARKETS  Have been been been been been been been be	The control of the
And the state of t	THE RESIDENCE OF THE PARTY OF T	2212 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
	Part	Hermits

1806 Hgh Low Stack 237g 277g CSChat 787g 4 272g CSChat 787g 4 284g Cammilles 10 1034 Cammilles 10 1034 Cammilles 231g 237g Cycler Sys 1034 294 Cyrolin 297g 237g Cycler Sys 297g 237g Cycler X 297g Cy

- D -

sell

174 ACE LM 94 AGM GM

\*\*\*\* 

1984 High Low Black 15% 12% Bellet Prop 74% St Bellet x 22% 18% Bell is

28-1g 24-1g Bemglar
2800223000 Sarvidd
220 89-8 Sarvidd
220 89-8 Sarvidd
221 82-8 Berry Petr
2834, 122 Best Berry
2834, 122 Best Berry
2834, 123 Best Berry

| Section | Sect

974, 177, Equilier 287, 221, Equilitat 312, 287, Squishbir 44, 32, Standh 28, 183, Espainer 13, 6 Shot 143, 124, Europe Fd 1812, 15 Equilor 3, 737, 683, Eost 901, 775, Eosy 0.33 1.3 24 6962 0.29 0.9 11 631 1.16 4.3 78 254 7 329 0.50 5.4 15 275 0.88 6.5 132 1.04 0.9 97 1.80 2.4 18 599 3.18 0.7 1513933 - F -31<sub>1</sub> 21<sub>4</sub> FA Issor

18 10-5 FT CAMBA

61<sub>4</sub> 5-7 FARITION

61<sub>4</sub> 6-7 FARITION

61<sub>4</sub>

2 25'1 28'2 25'4 +5'3
25'4 22'5 22'5 +5'2
25'4 22'5 22'5 +5'2
35'4 37'4 37'4 +1'3
25'3 37'4 37'4 +1'4
25'3 28'5 27'5 +1'4
19'2 81'5 15'4 5'4
18'5 61'5 15'4 -1'4
67'6 88'4 68'5 +1'4
17'6 88'4 68'5 +1'4 28 22% EP hr.
28 11% P hr.
28 12% EV hr.
31% 27% iden Cup x
32 27% EV hr.
28 2 28% iden Cup x
32 27% EV hr.
28 2 28% iden Cup x
32 27% EV hr.
28 2 28% iden Cup x
32 27% EV hr.
28 2 28% iden Cup x
36 27% iden Cup x
36 28% iden Cup x
37 28% iden Cup x
37 28% iden Cup x
37 28% iden Cup x
38 28% iden Cup

48-1, 44-12 J Floor PF z 2.57 7.5 94 45-3, 44-7, 45-5, 65 40 J Floor PF z 2.57 7.5 94 45-3, 44-7, 45-5, 13-5, 10-1, 10-1, 11-3, 10-3, 10-1

- K -

0.18 0.4 8 4504 25\( \) 23\( \) 23\( \) 23\( \) 21\( \) 21\( \) 200 14.7 1 141 13\( \) 13\( \) 13\( \) 13\( \) 15\( \) 14\( \) 0.05 8.7 15 22 6\( \) 18\( \) 13\( \) 13\( \) 15\( \) 14\( \) 13\( \) 13\( \) 15\( \) 14\( \) 18\( \) 15\( \) 21\( \) 21\( \) 23\( \) 23\( \) 24\( \) 18\( \) 15\( \) 21\( \) 18\( \) 21\( \) 18\( \) 21\( \) 18\( \) 21\( \) 18\( \) 21\( \) 18\( \) 21\( \) 18\( \) 13\( \) 21\( \) 13\( \) 22\( \) 13\( \) 22\( \) 13\( \) 22\( \) 13\( \) 22\( \) 13\( \) 22\( \) 13\( \) 22\( \) 23\( \) 23\( \) 14\( \) 22\( \) 21\( \) 13\( \) 22\( \) 23\( \) 14\( \) 22\( \) 21\( \) 25\( \) 2

20 21-4 Lamona.
24-2 19-4 Lamona.
24-2 19-4 Lamona.
24-2 19-5 Lamona.
24-2 25-5 Lamona.
27-21-4 Lamona.
27-2-4 Lamona.
27-3-4 Lamona. 0.86 3.4 14 567 34 7341 1.00 4.4 19 294 0.36 2.6 37 267 17, 43 0.90 5.8 8 1963 93g 74 Michael 93 74 Michael 93 74 Michael 93 74 Michael 93 74 75 75 75 Michael 93 75 75 75 Michael 94 75 75 Michael 94 75 75 Michael 94 75 75 Michael 94 75 75 Michael 95 75 M

37<sub>2</sub> 15<sub>2</sub> LA Cour 227<sub>2</sub> 205<sub>2</sub> LG 0 E En 305<sub>3</sub> 1054 135 La 24 1574 La Culoba 34 267<sub>3</sub> La Culoba 34 267<sub>3</sub> La Culoba 127<sub>3</sub> 1574 La Culoba 2274 La C

+\; +\; +\;

## 201-2 Oalst Fity | 0.32 | 1.1 | 2 | 1031 | 221-2 | 222-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 223-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 | 233-2 |

A Committee of the Comm organism of the state of the st

> a Gain the edge over or office every went Misiness centras of

GUEST.

ÇÎRAĞAN PALACE HOTEL Kempinski İstanbul

When you stay with us in ISTANBUL stay in touch -

JAN100 150

State of the Park 
STATE STATES AND STATES OF THE 
· p · q .

C)

----

4 pm alase Jaly 15

12 C43 17 16% 16% -W

13 514 17 816 164

Pakadala ---- - 512'07'9 12m

3 272 273

3:30 pm July 17 **NYSE PRICES** NASDAQ NATIONAL MARKET Die. E 180s 140 11 223 45% 45% 45% 0.20 14 40 712 7% 712 -15 Ladone 872108 320 154 134 154 +14 Ladd Fura 0.78 2 139 105 104 105 +12 Dig les Engin Fel 4 227 5-12 5-14 5-15 1-16 Engin Fel 4 227 5-12 5-14 5-15 1-16 Enginent 79 439 376 679 5-2 1-18 ED TRI 0.05 15 6431 1912 183-2 187-7 -11 1900 mm 1 5 667 10 912 93-4 1-14 Enginent 15 667 10 912 93-4 1-14 Enginent 15 18 17 5-114 5-114 18 1-14 18 13-15 18 17 5-114 5-114 18 13-14 18 13-14 - E -Lame Star LTX Cp - M -Fed Dry
Fed Dry
Fed Dry
Fer Cp
19 185 61a 6.27 61g +1a
Fer Cp
0.24 14 396 u15 123a 144a 413g
Federate
0.02 48 6917 391a 38 383g +12
Ref Drd
Ref Drd
1.04 18 1981 52 501a 514g +13
Ref Drd
Regon
1.04 18 1981 52 501a 514g +13
Regon
1.04 18 1981 52 501a 514g +13
Regon
1.04 18 1981 12 154a 154a -1g
Regon
1.04 11 1719 24 114a 417g +1a
Fed Sacty
0.84 15 710 261a 257g 251g -1a
Regon
1.05 12 800 301a 257g 251g -1a
Regon
1.05 12 800 301a 257g 257g -1a
Regon
1.05 12 500 301a 257g 257g -1a
Regon
1.05 Microspe Microcom 612 019 1895 1
524 454 18746 4.1 a 4.16 8.2
3012 34 180
3572 361-9 1857 1.46 4.8
5012 3512 1816
2672 261-9 183 Comp 1.42 8.8
912 575 1816 160
3572 261-9 183 Comp 1.42 8.8
912 575 1816 160
3573 271-9 1816 160
3573 271-9 1816 1816 1.59
1457 1816 1816 1816 1.59
1457 1816 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
1457 1816 1816 1.59
14 MAR H Fat Hamma 1,13 10 888 27625% 26 Ruller HD 0.66 17 53 33 2 33 33 Fatantia 0.68 12 68 19 2 18 4 13 4 Modine Mt 0.68 12 875 2612 25% 2618 21 50 254 238 258 +4 FRAP 544, 204, 2007 474, 204, 200 Corp 254, 257, 374, 38, 374, 277, 374, 38, 374, 274, 374, 38, 254, 274, 264, 384, 74, 52, 264, 18, 274, 154, 267, 267, 274, 154, 267, 361, 274 200 8287 57°2 55°4 55 +1°2 10 5670 15°9, 14°4 14°8 - °2 11% 10% Zandg Pand x 1,08 8.9 305 20% 10% 10% 10% 44 9 84 Zandg Ted x 0,84 20,0 177 6% 66% 6% 4% Youndy higher and lines for 1975; robust the peaked them then 1 1996.

Unions otherwise unled, eachs of distinct one arrows distinguements beared as the states declaration. Solves Septem and condition, desero young high, desero young high, as-on-distinct or on-diple. My distinct or on-distinct or on-distinct or on-diple. My distinct or on-distinct or on-distinct or on-distinct or on-distinct o FT, Free Assemblifesports Shrytop To see disting the proofs promotingsing report of thy company preparated with §. Proofs quots the code FTSHSE, This DRIST 770 GYTD proofs 24 bares because of the code FTSHSE, This proofs 770 GYTD, proofs 24 bares because you will be seen to the code of the code of the code 444 SEI 770 GYTB or fire 444 181 770 SECS. Reports will be east on the stead | Dest Street | AMEX PRICES W - Ste Disc. E 1906 bligh Law Clean Chag 0.10 28 107 195g 191g 191g + 1g nt. 8 101 545 554 558 + 1g | Shack | Dir. E 190s | Bigs | Low Close Strag | NAT | 8 74 197s | 107s Stock Div. E 100s High Low Close Ching

Adv Magn
Alin Inc.

13 393 2ºs 1ºs 1ºs 2ºs 1ºs 1ºs 1ºs 1ºs 1ºs

Apha Ind
18 271 0ºs 7ºs 3 1ºs

Amair Pa 1.04 8 8 8 37% 37 37% 1ºs

Amair Pa 1.05 30 99s 6°s 1°s 1°s 1°s 1°s

Amair Pa 1.05 30 99s 6°s 1°s 1°s 1°s 1°s

Amair 10.05 30 99s 1°s 1°s 1°s 1°s

Amair 10.05 30 99s 1°s 1°s 1°s 1°s

Amair 10.05 30 99s 1°s 1°s 1°s 1°s

Amair 10.05 1°s 1°s 1°s 1°s

Astronoch

Astronoch

Astronoch

Astronoch

Amair 7 3719 5°s 5°s 5°s 1°s 1°s

Amair 7 3719 5°s 5°s 5°s 1°s 1°s

Amair 10.05 30 5°s 1°s 1°s

Amair 10.05 30 5°s 1°s 1°s

Amair 10.05 30 5°s 1°s

Andrew 10.05 30 5°s 1°s

Andrew 10.05 30 5°s 1°s

Adv 1°s 1°s

Andrew 10.05 30 5°s

Andrew 10.05 30 9s

Amair 10.05 30 9s

Amair 10.05 30 9s

Amair 10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 9s

10.05 30 30 9s

10.05 Enstrance 8.16 21 37 137 137 137 1374 + 10 lot. Come 17 1883 77 61 7 + 10 Internage 48 416 174 1574 1774 + 174 Next 0.10 13 8140 147 137 1474 + 14 21 184 23 24 22 44 9 2 35 35 35 42 343 184153 157 43 7 157 134 134 134 4 Jen Bell Kasarik Op Kirty Equ RogrEq Emeta Co. 8,46 22 325 tr14<sup>3</sup>2 13<sup>3</sup>4 14<sup>3</sup>4 +2<sup>5</sup>5 Batro Bay 0.07 27 2956 10 9<sup>1</sup>2 9<sup>3</sup>2 -<sup>1</sup>4, Ecot Eo A 0.32 27 18 7<sup>3</sup>4, 7<sup>5</sup>4 7<sup>5</sup>5 -<sup>1</sup>4, Editor Rs 19 201 10 9<sup>5</sup>5 10 +<sup>1</sup>4 Epitope 13 908 14 13 13<sup>7</sup>6 +<sup>3</sup>4 52 733 7,5 55 75 +5 47 354 1352 1264 1264 -4 3 72 1054 1054 1054 -5 21 13 81 7852 81 +252 Gentle 0.50 14 43 16<sup>1</sup>2 19<sup>1</sup>2 18<sup>1</sup>2 + <sup>1</sup>8 Signif PoA 0.76 19 471 34<sup>2</sup>5 34<sup>3</sup>4 34<sup>3</sup>4 + <sup>1</sup>2 Gettle 0.70 11 300 19<sup>1</sup>4 17<sup>3</sup>4 16 + <sup>1</sup>8 Schlädd 0.24 <sup>1</sup>4 0<sup>1</sup>4 18 

Have your FT hand delivered in

Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Hand delivery services are available for all subscribers in the business centres of Helsinki and Espoo. Please call +49 69 15 68 50 for more information.

Financial Times. World Business Newspaper.

22 176 21% 21% 21% -12 27 438 11 10 11 -1 Libbles 26 492 1376 12 1376 1-17
Libbles 26 492 1376 12 1376 1-17
Libbles 022 27 18 17 17 17 17
Libbles 1 060 20 222 1614 1616 1616 17
Libbles 1 020 16 323 4016 373 3914 +2
Libbles 1 0 18 15 18 164 253 344 2574 11 SPECIAL 9 0.46 17 1799 18 15 15,4 13 21 14 0 14 8 12 25 - 3 Flyam Findy | Marcay E | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | St Paole: 0.00 11 727 701402314 2213 +14 Standers 3410560 17 16 16 6 7 Standards 57 9840 25% 24% 24% 6% 13 4781 11% 104 1032 +3 Stell Mecro 9 1625 1235 1132 1133 435 Stell Sec 0.10 17 2071 12 1134 12 436 25 1613 121g 1114 117g +1 3775901 11814 11512 1171g +114 | Street | S Mid At M 11 47 13 a 12 a 13 la +1 a Midwigram 050 25 522 13 12 la 12 la -1 a 1880cm 2717 41% 40% 40% Minmech 0.10 17 760 10% 10% 10% +12 Minimech 77218 12% 11% 10% +12 Modern Cp 0.24 18 240 111 187 1112 +14 58 2860 10<sup>1</sup>8 9<sup>1</sup>4 10 +<sup>1</sup>2 8 43 1,4 3,4 3,4 Summat 1e 58 2860 1018 934 Moleck 0.06 19 8181 2714 2674 2718 +58 Makes Inc 0.66 20 1605 28% 28 28% +% SunMic Suttan As 2389088 54% 51% 54% +.\*\*2 Muscom 0.04145 3287 121g 103g 115g +17g Suman Rs 190 151 912 6812 913 Sumht tra 6 01 24 37 2012 78 20 Synaco Inc 
 Symantee
 12 8058
 10 9½
 0%
 12

 Synatory
 832 0 958 13 ¼
 13 13 ½
 12

 Synator
 54 285 34½
 34 34 34
 12

 Synator
 54 285 34½
 34 34 34
 13

 SystemSoft
 0.10 17 7535
 13 12¼
 13 13 4
 And the second of the second o | Control | Cont | Valmont | 840 18 325 32½ 31½ 31½ +1 |
Vaged Oed	307 5820 32½ 21½ 21½ 3½ 1½
Ventities	5 723 15 14½ 15 +½
Ventities	29 535 42 31½ 31 +4½
Vicor	21 1975 21½ 19½ 71 +1½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½
Vicorpies	13 01 11½ 11½ 11½
Vicorpies	13 01 11½ 11½
Vicorpies	13 01 11½
Vi Viewlogic VLSI tach 57 1242 11% 10% 11 +12 140732 12% 11% 12% +% Works 9 0.50 7 545 214 207 20% - W -Physicians 10 1521 10<sup>1</sup>4 68<sup>1</sup>2 9<sup>1</sup>4 -7 Physicians 848 18 14 18<sup>1</sup>9 18 18 Perturete 4911364 39<sup>1</sup>4 36<sup>1</sup>2 38<sup>7</sup>8 4<sup>1</sup>2 Protorton 17 90 23<sup>1</sup>2 22<sup>1</sup>4 23 25 1323 187 15 161<sub>8</sub> 🛶 Pinkerton 17 90 23<sup>1</sup>2 22<sup>3</sup>4 23 ProtectGp 0.40 30 1000 26<sup>3</sup>8 26<sup>1</sup>4 26<sup>3</sup>5 Wassau PM 0.22 10 3561 1812d17 4 WD-40 a 248 16 162 45-4 45 45 Week 0 614 4 032 43 Wolshan L 0.28 21 216 10 974 976 -36 Worldcom 3400277 2559 2412 2476 -44 WPP ADR 21 1679 33 3234 3212 -32 Presstek Po/Cost 212 1954 66 60 8112 -114 1815071 2112 1934 2118 +114 - D -Wyman-Gán 8 40 24 817 17 12 19 34 11 + 14 DSC Cas 191631 25½ 27½ 27½ 1¾ Dart Bros 0,13 10 25 92½ 92¼ 92¼ 42¼ 43¼ Debatics 32 2061 5 4½ 4½ 4½ Debatics 9 301 16¾ 18 18 12 2311140 1334 1338 1358 +12 Pringrant 17 411 1512 14 1414 +59 Prod Ope a 0.28 36 190 3214 3114 32 -14 K Surine 0.09 58 10% 10% 10% -- 34	Refine

Description X1.14 12 72 2274 2714 2712
Decision Q20 10 79 574 574 574 +14
Decision Ger Q20 29 566 637 2614 2614 2712
Decision Q24 11 13 2614 2614 2614 -14
Del Grasp 152590 4614 4614 475 +214
Del Grasp 152590 4614 4614 475 +214
Del Grasp 153590 4614 3712 3779 +22
Decision S 3214 3772 3779 +22

ana ana ang kalangsa da masa da katalan da magaja da pada da katalan da katalan katalan da katalan da katalan d

### US stocks lifted by strong earnings data

#### **Wall Street**

sit

th

No

ing

Inv

aci fol

mo

A spate of strong earnings reports and some bargain bunting in the technology sector helped US shares to rebound at midsession from the sharp weakness of recent days, writes Lisa Bransten in New York.

Intel helped to spark some of the buying in the technology sector with its announcement of strong second-quarter earnings, made after the market closed on Tuesday.

In early afternoon trading, the Nasdaq composite, with about a 40 per cent technology shares content, was 27.72 up at 1,081.19, putting it oo course for its first positive finish in more than a week. The Pacific Stock Exchange technology

Shares in Intel rose \$2% to \$72% and the company's good news created optimism about the prospects for computer Hewlett-Packard added \$21/2 at \$481/4. Dell Computer was up \$21/2 at \$47% and Gateway 2000 rose \$21/4 to \$33%.

Blue chip shares in the Dow Jones Industrial Average shot higher on the opening bell, climbing oearly 72 points in the first 15 minutes of trading. By early afternoon, however, the index had surrendered a good part of its gain.

At 1 pm, the Dow was showing a rise of 29.22 at 5.387.98. The Standard & Poor's 500 gained 5.35 at 633.72 and the American Stock Exchange composite climbed 11.27 to

Latin America

Mexico

South Korea!

Teiwan, China India

Philippine

Malaysla

Sn Lanka\*

Czech Rep

South Africats

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock

Hungary\*

Poland<sup>4</sup>

Euro/Mid East

536.87. NYSE volume was 306m

General Electric, the only Dow component to report earnings yesterday, rose \$214 to \$83 although its second-ouarter earnings of \$1.15 8 share were only a penny abead of analysts' expectations.

Ford Motor, the last of the Big Three car companies to report results, beat earnings by wider margin, sending its shares up \$1% to \$31%. Chrysler and General Motors, which had already posted strong ahead \$1 to \$29 and \$1 w to \$48 respectively.

Time Warner and Turner Broadcasting rose after Federal Trade Commission staff agreed in principle to allow the companies to merge with certain conditions. Time added \$214. or 7 per cent, at \$35% and Turner gained \$2, or 8 per cent, at \$26.

#### Canada

Toronto gave up most of an early rise by midsessloo and the TSE 300 composite index was just 0.41 higher by noon at 4,921.00 in volume of 31.9m

Among heavily traded stocks. Bombardier, the diversified aircraft and commuter railcar maker, firmed 10 cents to C\$18.10.

High-technology stocks put in a strong performance. Newbridge Networks appreciated C\$3.25 to C\$74.25, while PC Docs Group International added C\$1.75 at C\$20.35.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

+13.1

+12.3

+23.8

-0.4 +20.8

+2.0

+8.4

tors are extendented at end-week, and weekly changes are percentage incoverent from the provious FASIV Gare data! Dec 1960-100 except draws rested on one (IFAs 1 1991; CIOna 31 1890; CIUAN 5 1990; FADac 31 1992; CIUAN 3 1990; FAUAN 4 1991; CIVICA 6 1990; AVSep 25 1990; GIUAN 1 1991; FOI

The Hang Seng index, Hong Kong's stock market benchmark, is to undergo a shake-up

their replacements.

HSI Services said the index would account for about 75 per cent of the total capitalisation of the companies listed on the colony's exchange, op from some 73 per cent. The Hang Seng index was last resbuffled in November 1994, when the imminent delisting of the Jardine group of companies, all of which were constituent index stocks, prompted a

In addition to the five companies in the Jardine stable, which delisted in two stages in December 1994 and February 1995 citing regulatory concerns. HSI Services took the opportunity to replace two underperformers, Lai Sun Garment and Winsor Industrial Corporation. These seven companies were replaced with a mix of property, hotel, media and electronics companies. First Pacific, which along with Henderson Investment joins the industrial forms of the restrict of the state of the stat

the index on August 30, was a key contender for one of the vacated slots at that time.

% Change % Change

872.78

386.03

223.15

260,68

106.42

141.84

99,52

321.12

87.34

141.03

72.52

167,34

703.67

Dec 31 1992: (11)Dec 31 1993; (12)Dec 31 1992; (13)Dec 31 1992; (14)Dec 31 1992; (15)Aug 2 1993; (16) Aug 2 1993

(24) (145) (35) (83) (76)

Pacific Forest Products was holding steady at C\$17 after reporting weaker than expected earnings.

#### Latin America

MEXICO CITY had reversed its early strong gains by midsession as the IPC index showed a loss of 5.26 at 2,939.13.

However, brokers commented that the selling was not exceptionally heavy, and that most could be linked to profit-taking.

SAO PAULO was barely changed by midsession, with the Bovespa index standing 193 points up at 63,127, while the Merval index in BUENOS AIRES was similarly rangebound, up 1.39 at 544.66.

#### SOUTH AFRICA

Industrials in Johanneshurg staged a mild recovery in cantions trade, with dealers saying the market was tracking world bourses, especially Wall Street

The overall index gained 55.8 at 6,684.2, while industrials strengthened 109.1 to 7,897.1. A London-based analyst described sentiment in the market as being broadly positive for the industrial stocks. However, a stronger rand

saw gold ebares drift lower and the sector index declined 36.3 to 1,808.

De Beers softened 25 cents to R140.75, but Anglo American Industrial Corporation forged ahead R7.50 to finish at R156

Local currency terms

+22.2

July 12 % Change % Change 1996 over week on Dec '95

534,769,96

1,451,67

1,234,05 1,120.26

1,649.39 333.26

5,469.76

303.06

1,204,73

### Milan finds support in telecoms sector

FT-SE Actuaries Share Indices

The firmer trend in domestic pressured the large exporters bonds enabled MILAN to call a halt to the 7.7 per cent loss of the previous eight sessions. and the Comit index finished 5.30 ahead at 616.20.

Most blue chips were higher. Stet rose LS5 to L4.764 after the government finally approved a new telecoms and television watchdog, opening the way for the privatisation of the statecontrolled telecommunications

Mediaset, the television and advertising group which was listed on Monday, dropped 2.8 per cent in immediate response to news that, from January 1997, television advertising time would be regulated under

the new government bill. The shares retreated to a low of L7,370 but steadied on news that the company would be allowed to bid for a third Italian mobile phone licence. By the close the shares were

tranche of the group would be sold in October Pirelli moved forward L69 to end at 12,405 on speculation that its cable division planned to restructure its French opera-

Eni lost L64 to L6,998, after

Tuesday's news that a second

ZIRICH extended its losses into a fifth straight session as the strengthening Swiss franc The SMI index finished 21.9 lower at 3,656.2, but in thin turnover.

Ciba gave up just SFr1 to SFr1.492 and Sandoz was SFr7

softer at SFr1.400. After the market closed, the European Commission cleared their planned merger into Novartis after the companies agreed to grant licences for methoprena, an animal antiparasite product.

Clariant, which reported flat half-year sales, receded SFr9 to

Nestle lost SFr25 to SFr1.405. still weighed down by its disappointing results, and news from Brussels that a European women's group had threatened a widespread boycott of Perrier products in protest at an advertising campaign that it consid-

ered sexist. FRANKFURT rose during the floor session as the Dax index eoded up 27.40 at 2,497.19. The Ibis was flat, closing at 2,497.69. Turnover came to DM9bn.

Munich Re was one of the day's highlights on news that it would become a constituent of the Dax index from Septem-

The stock rose DM62, or 1.9 per cent, to DM3,319. Telekom is the other issue to be included, with Metallgesell-

12.00 18.00 14.00 15.00 Com Open 10.30 11.00 Housey changes FT-SE Eurotrack 190 1624-55 1623-96 1623-99 1624-05 1624-05 1623-12 1623-14 1624-05 1625-06 1665-05 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1667-55 1 Jet 12 Jul 11 Jet 16 1009.00 1675.33 1624,77 1666,60 1715.71

schaft and Continental being

Metaligesellschaft rose DM1.55, or 6.2 per cent, to DM26.50 and Continental rose 63 pfennigs, or 2.7 per cent, to

DM23.63. In the Ibis, the two stocks finished respectively at FF128.46 and FF123.48.

PARIS rebounded in line with the Continental trend. The CAC-40 index made 5.60 to 995.11, after a high of 2.010.47. Turnover was a modest FFr4.1hn, reflecting continued investor caution in these uncertain times.

SGS-Thomson Microelectronics, the French/Italian semiconductor maker, advanced FFr9.60 to FFr164.10 after reporting a rise in second-quar-

AMSTERDAM featured Stork as the industrial systems company said it was paying Fl 302.5m for the Fokker Aviation unit of Fokker, which was

declared bankrupt earlier this year. Stork made a gain of

F1 1.30 to F1 1.30 as the Aex

index lost 1.16 to 527.11.

Elsewhere, Philips recovered from recent losses to firm Fl 1.20 to Fl 51.50 hut Royal Dutch slid Fl 3 to Fl 251.50. ISTANBUL dived as equities sought new support in a mar-ket starved of cash, and amid

Islamist-led government's economic policies. The composite index fell 2.5 per cent to close at 66,683.98. Losses this week have reached

uncertainty over the new

6.3 per cent. Investors remained tense amid suspicions over the coalition's ability to tackla tha country's very heavy budget

leticit, brokers said. COPENHAGEN fell moderately, with a hoped-for rebound failing to materialise. The KFX index dipped 0.57 to 114.98. Interest focused on hlua

chips such as TeleDanmark,

which recently had its 1996 forecasts downgraded by Leb-

man Brothers. In the report, which followed a profits warning from the company, Lehman lowered fits net income forecasts from Dkr\$.2bn to DKr2.9bn for the 1996 year and from DKr3.5bn to

DKr3.2bn for 1997. TeleDanmark ended DKra

cheaper at DKr278. BUDAPEST retreated for the seventh consecutive session as the BUX index fell 62.51 to 3.015.28. Turnover was Ft1.2bn. The session's most active stock was BorsodChem. a chemicals company, off Ft125 to Ft2.365.

فمورها إرا

WARSAW found little in the way of excitement from a cut in interest rates and the Wig index declined 1.7 per cent to

The National Bank of Poland announced a cut of one percentage point on Tuesday after the market had closed.

Among the financials, Bank

Przemyslowo-Handlowy was off 1.7 per cent at 172 zlotys and Bank Rozwoju Eksportn lost 1.4 per cent to 73 zlotys. PRAGUE followed the trend lower, with the PXS0 down 2.4

at 540.5. SPT Telecom was the only riser, up Kr10 to Kr3,870.

Written and edited by Michael Morgan, John Pitt and John Diudio

#### **ASIA PACIFIC**

np L47 at L7,628.

### Foreign selling erodes advance in Nikkei

The overnight rebound on Wall Street helped to improve confidence, hot earlier gains were eroded by late selling of blue chip exporters by overseas institutions, writes Emiko Terazono in Tokyo.

The Topix index of all first section stocks shed 0.57 to 1,625.54, and the Nikkel 300 closed 0.05 off at 300.67. Declines led rises by 555 to 469, with 178 issues unchanged.

index put on 0.99 st 1,438.13.

The decline in US high-technology shares weighed on Japanese counterparts, with Tosh-Sony losing Y90 to Y6,900.

Profit-taking hit Honda Motor, which lost Y70 to Y2,640, and Toyota Motor retreated Y40 to Y3,570.

Bank of Japan gained Y20 to Y2,510 and Sumitomo Bank

Securities dropped Y30 to

The Nikkei 225 average added a marginal 6.53 at 21,412.88 after touching 21,281.95 and 21,567.02. The index gained ground on hargain hunting in early trading as investors were encouraged by the rebound in the US. However, shares lost early gains as foreigners increased selling of international blue chips.

Volume totalled 290m shares. against 302m. Many investors were inactive ahead of congressional testimony by Mr Alan Greenspan, chairman of the US Federal Reserve Board.

In London the ISE/Nikkei 50

International blue chips in the high-technology and car sectors suffered from selling by foreigners. The yen's rise against the dollar also provided an inceotive to take profits on companies which are most reliant on exports.

The Hang Seng index, Hong Kong's stock market benchmark, is to undergo a shake-up next month, with the removal of Hong Kong Aircraft Engineering Co (Haeco), the aircraft maintenance company controlled by Swire Pacific, and Miramar Hotel and Investment, writes Louise Lucas in Hong Kong.

Their places are taken by First Pacific, the Hong Kong based marketing, distribution, telecoms and property company controlled by the Salim group of Indonesia, and Henderson Investments, the property investment company which, following a contested bid in 1993, controls Miramar. Henderson Investments becomes the third company controlled by tycoon Lee Shan-kee to make it into the Hang Seng index; property developer Henderson Land, the bolding company, and Hong Kong and China Gas, the colony's dominant gas supplier, are already constituent stocks.

The switches are aimed at ensuring that the index is representative of the market, and is composed of stocks with large market capitalisations and high liquidity. According to HSI Services, which complles the index, Haeco has a market cap of around HK\$4hn and Miramar around HK\$9hn, compared with the HK\$17hn to HK\$18hn boasted by each of their replacements. iba, the most active issue of the day, down Y15 to Y720 and

Banks, which had been sold on fears of higher interest rates, rebounded. Industrial

added Y20 at Y2,010. Brokers, however, came under selling pressure on fears of the negative effects of the stock market's recent sluggishness on earnings. Nomura

#### disappointing debut, closing behind the stock's fall. finance minister's statement

In Osaka, the OSE average dipped 75.90 to 22,601.05 in voltime of 18.3m shares. Aoyama Trading, the men's suits maker, rose Y110 to Y2,980 on expectations of increased buying by individual investors,

#### Roundup

Heavy selling in Mr Rupert Murdoch's News Corp left SYD-NEY to give up early gains and end slightly lower. News Corp slid 20 cents to close at A\$6.66 after a report that the company was planning a \$2,4hn takeover bid for New World

Communications, of the US. Brokers said uncertainty about how News Corp would trading, with Finance One one of the biggest losers as the fund an acquisition of New

They also noted concerns

that Mr Murdoch's hand might have been forced by Naw World's intention to make a takeover bid of its own, for King World Productions. The All Ordinaries index

ended at 2,096.1; down 4.5. TAIPEI moved higher as bargain hunters chased prices. The weighted index rose 147.23. or 2.5 per cent, to 6,102.73. Turnover was T\$45.14hn. The financial sector gained

scaring by the daily 7 per cent limit, or T\$3.50, to T\$55 and China Trust jumping T\$2.60, or 5.3 per cent, to T\$51.50. BANGKOK slipped in light

4.1 per cent, with China Life

at HK\$12.75, against its initial public offering price of that he would not approve the acquisition of a 20 per cent stake in Thai Dann Bank-Dealers said the news had

burt both Finl and TDB, and many analysts had revised down their earnings forecasts by between 10 to 20 per cent. the Straits Times Industrial Fin1 lost Bt2 to Bt128 with index elimbed 24.58 to 2.204.09. as improved sentiment drew 622,800 shares traded, while investors to Indonesian-linked TDB fell Bt7 to Bt130 on volume of 89,000 shares, The SET. stocks. Amcol jumped 17 cents index declined 0.71 to 89.12. HONG KONG ran into late

profit-taking which pulled the Hang Seng Index down from a high of 10,734.59 to close 18.88 weaker at 10,609.10, in turnover that edged down to HK\$5.7bn. Cheung Kong Infrastructure. spin-off of Li Ka-shing's

Cheung Kong (Holdings), made

ted the stock to top HK\$13.00. Shares in Cheung Kong fell 50 cents to HK\$52.25. SINGAPORE's second-line stocks rebounded strongly and

to S\$2.73, L&M rose 33 cents to S\$2.16 and UPP posted a 42cent rise to S\$1.77. BOMBAY gained 21 per cent as bulls tightened their grip on short sellers. The BSE-30 index rose 77.31 to 3,722.24 and the

national bourse index 1.2 per · Seoul was closed.

This announcement appears as a matter of record only.

### Dfl 46,310,000 **Management Buy-Out**

of Vendor B.V. by Vendor Holding B.V. (2 company formed by management)

> Gilde Investment Funds CVC Capital Partners Equity provided by

Gilde Investment Funds

CVC Capital Partners

Structured, led and arranged by

Senior Debt and Mezzanine Debt provided by

Rabobank Nederland

Advisors to the transaction KPMG Loeff Claeys Verbeke Nauta Dutilh

March 1996

**GILDE INVESTMENT FUNDS** 

P.O. Box 85067, 3508 AB Utrecht, The Netherlands TEL +31 (0)30-2510534, FAX +31 (0)30-2540004

### 

or stock index	- Pau	Index	Index	Index	Indus	on day	Yield	Index	Indus	Index	Index	Enclar.	High	Low	(stabuay)
Australia (80)189.56	-2.4	180.42	130.91	147.05	159.27	-2.0	4 44	194.27	185.74	135.48	153.36	162.57	212.18	175,72	177.57
Austria (24)	02	171.50	124.43	139 75	139.71	-1.6	201	179.89	172.00	125.45	142.01	141,93	198.73	166.11	
Belgium (27)207.56	0.4	197.56	143.34	161.02	157.26	-1.3	4.23	206.75	197.63	144,15	163.17	159.45	215.81	196.08	
Brazi (28)	-2,4	171.01	124 08	139,38	332.73	-24	196	154.36	175.93	128.36	145.30	340.86	189,70	123.27	144,48
Carada (120)	-0.7	147.82	107.25	120,48	154.27	<b>₽</b> 0-	2 32	156.47	149 80	109.12	123.51	155.22	165.12	134.14	
Denmark (30)	0.1	291.85	211.76	237.67	239.93	~1.7	1.97	306 41	397.97	213.69	241.88	243.98	309.01	276.99	
Finland (23) 169.09	-1.1	179.38	130.59	146 69	161.02	-2.2	2.76	191.24	132.85	138.37	150.96	185.17	276.11	171.73	262.38
France (96)	-02	180.30	130,42	146 95	150.22	-20	3.20	189.59	121.56	132.43	149.90	153.26	198.39	167.70	
Germany (59)	- 1.3	161,31	117,04	131.47	131 47	-3.0	1.33	171.72	164.18	119.75	135.55	135.55	174.38	155.66	163.85
Hong Kong (59)414.31	- 1,4	394,35	286,13	321,41	411 52	-1,4	3.47	422.23	401.68	292.96	331.62	417.39	451.19	348.81	380.98
Indonesia (27)	-1.2	132,68	139.80	157.04	289.10	-1.3	1.58	234.94	195 94	142 X	161.78	292.87	-	-	-
Feland (16)270.21	-1.4	257, 19	186.61	209 63	237 43	<b>-</b> ₹,£	3 61	274.04	262.01	191.11	216.32	242.37	290.82	235.88	241.02
Itoly (59175.72	-1.5	72,07	52.29	58.74	95.06	-3.6	2.50	74 60	73.52	53,63	60.70	88,33	84.53	67.22	27,73
Japan (481) 148.95	-0.Z	141.78	102 87	115.55	102.87	-1 <i>.2</i>	374	:49 28	142.73	104 11	117.84	104.11	164,68	137.75	151.72
Malaysia (107)	~0.7	529,96	384.52	431 94	533.20	-0.9	1,6a	<del>56</del> 0.57	535.97	330.93	442.51	S38.81	585.09	425.77	554.61
Meuco (181	0.5	1062,23	770 72	865.76	9347.77	0.7	142	7110.35	1061.62	774.33	876.50	9280.42	1325.65	791.99	1224.76
Netherland (19)285.61	-0.7	272.80	197.94	222 34	219.14	-24	3.29	232.53	275.85	201.21	227.75	224.50	299.68	245.79	
New Zeeland (15)79.26	-1.0	75,44	54.74	61 49	61.12	-14	4 44	50.02	76.51	55.81	63,17	81.55	84.71	75.84	84.71
Norway (35)	-0.e	237.48	172 31	193.56	317,28	-2.7	2.02	251.70	240 66	175.53	198,69	227.10	256.94	222.24	
Philippines (22)205.72	-1.4	198,66	144.14	161.92	272,36	-1.4	0.55	211 59	202.5C	147.55	167.02	278 10	-	_	
5-ngapore (44)	-0.3	373,34	270.89	304.23	35€.15	-0.4	1.44	330.45	376.21	274.40	310.61	257.21	465.21	355.81	395.21
South Africa (44)339.18	-2.6	322.84	234.24	263.13	318.53	-2.6	2.21	348.21	332.93	242.84	274.88	337.35	437.78	339.18	
Spain (37) 174.68	-0.2	166.26	120.63	135.51	166.65	-1.7	3.50	174 25	167.23	122.02	139.12	169.50	183.85	145.15	
Swedon (45)340.79	-0.7	324.36	235.35	264.37	355.89	-13	2.54	749.62	727.97	239.21	270.78	342.08	380.77	260.13	
Switzerland (37)	0.3	233.62	169 51	190.41	160.07	-2.1	1 59	244 59	235.86	170.57	193,08	190.12	252.34	191.24	
Thailand (45)	-0.9	151.13	109.66	123.18	156,23	-11	2.11	160.29	153.25	111.79	126.53	158.04	193.95	146.74	183.19
United Kingdom (200)229.63	~1.3	218.58	158.53	178.14	218.56	-1.3	4.29	252.72	222 51	162.29	183.71	222.51	237,48	216.52	221,31
USA (627)	-0.3	242.98	176.30	198 04	255.28	-Q3	2 22	255 96	742,73	178.50	202.06	285.98	275.47	224.83	
Americas (793)								001.00	~~~~		4 DE 04	447.00			
Europe (710)	-0.3	222.38	161 36	191.25	196 49	-0.3	2.31	254.36	224.03	163.44	185.01	197.08	252.43	206.37	209,73
Norde (136)296 14	-0.6	196.47	142.55	160.13	178.20	-2.1	2.18	209.11	198.98	145.13	164.28	182.00	213.30	189.33	195,17
Pacific Basin (880) 161.36	-0.6	291.98	204.52	229.74	255.10	-19	2 45	295.00	34.92	207 82	23514	253.90	306.61	261.13	277,18
Euro-Pacific (1590)180.02	-0.5	153.58	111.44	125.18	113.45	-12	1.21	165.10	154.93	113.04	127.96	114.87	177.01	148.86	152,58
	-0.6	171.35	124.33	139 66	138 00	-1.6	2.15	181 16	173.21	126.33	143.00	140.29	199.57	166.51	176.05
North America (747)	-0.3	237.19	172.10	193.32	248.63	-0.3	2.32	245 32	278.96	174.29	197.29	249.31	289.52	220.03	223,48
Europe Ex. UK (510)	-0.5	179.57	130.29	146.36	154,09	-2.2	2.58	*89.57	51.35	132.27	149.72	157.64	194.86	158,65	175,47
Pacific Ex. Japan (399)	-1.4	263.36	191 09	214.65	238.60	-14	2 92	280.56	268.25	195.66	221,47	241.89	296.58	243.59	265.28
World Ex. US (1800)181.13	-07	172.40	125.09	140.52	142,35	-1.6	2.15	182 36	174,35	127 17	143.95	144.58	191.55	167,35	177,07
World Ex. UK (2227)	-0.4	191.62	139.04	156,18	170.42	-1.3	2 01	202 16	193.30	140.99	159.60	172.10	213.05	185.61	189,82
World Ex. Japon (1945)	-0,6	222,90	161.73	181 68	220 a1	~1.0	266	335.57	225.24	1648	185.96	223.07	247.55	212.67	215 88

The World Index (2427)........20182 -0.5 184.00 140.76 158.12 174.96 -1.1 2.22 204.86 185.87 142.86 161.71 176.72 214.95 185.48 192.58

### TAKE PRECISE AIM

BY PLACING YOUR RECRUTTMENT ADVERTISEMENT IN THE FENANCIAL PERSONAL ARE REACHING THE WORLD'S RUSINESS COMMUNITY.



TARGET THE BEST

For information on advertising in this section please vall:

Stephanie Cox-Freeman on +44 0171 873 3694 or Andrew Skarzyuski on +44 0171 873 4054

By Nancy Dunne in Washington

Shaw the Land

Thursday July 18 1

#1 3 . L-1

Brown Street Street .

The same of

· 李克·

A & Carper, A to his way

-

ice in Nikke

and the State of the state of

Manufacture of the control

Charles of the Control of the Contro

ST. FERTENDEN

The second

and the second

IE IL

10 may 1 m

ISE AIM

Branch Commence

To The Control of

Ber 12 am ....

Brand Comment

Page 1 for 1 m min

Carried States

Mers varg

**就在以至**为

The Pentagon is preparing a sweeping initiative to protect US troops in the Gulf and other regions from weapons of mass destruction including chemical and biological weapons, mortar attacks and massive truck

Mr William Perry, the US lefence secretary, yesterday briefed a large group of senior senators on his proposed Force Protection Initiative, designed to defend US forces in Saudi Arabia, Bosnia, Turkey and other regions around the

"For years we have devised our force protection in response to the last threat or the last attack," Mr Perry said. "And yet, we see more significant attacks that are possible. Therefore, we want to get ahead of them and plan

Mr Perry said the Pentagon was taking seriously the stacks of intelligence reports it receives every week warning of new attacks on US troops, like last month's bombing which killed 19 servicemen in Dhahran, Saudi Arabia. "We understand that the threats chemical, biological, very large truck bombs - (are) feasible." he said. "We also understand that the terrorists that are trying to drive us out of Saudi Arabia are capable of doing

He called the senators to the Pentagon yesterday for consultations because the

addressed "just by moving fences and just by putting more mylar [a chemical toughener] on glass. We have to make some fundamental changes - some drastic changes in the way we configure and deploy our forces."

The Pentagon is soon to announce a plan to shift a large number of troops in Saudi Arabia to protect them against terrorist attacks. Mr Perry, who visited Sandi Arabia shortly after the June 25 bomb blast, said the military was to reconfigure the US deployment this summer.

All the 3,000-4,000 US forces in Operation Southern Watch. the deterrence mission in Saudi Arabia, are candidates for a move. "We'll have to make a balance between the ability to do the mission adequately and the desire to get more force protection," he

Planners are studying the forces in Riyadh in particular where the US military is supporting the Saudi National Guard and training the military. It would be difficult to continue these missions if the troops are moved out of the Saudi capital.

The official Saudi Press Agency reported that Prince Sultan, the Saudi defence minister, said Riyath did not favour moving troops ont of the capital. However, a defence department spokesman said on .Tuesday that it was the Saudis consultations because the who first recommended effort will be "costly", he said. moving some US troops to The threat can not be more remote locations.

### Portugal and its old colonies set up commonwealth

By Peter Wise in Liebon

Leaders of the world's seven Portuguese-speaking nations gathered in Lisbon yesterday to launch a lusophone commonwealth to expand their dip-lomatic, cultural and economic influence.

Angola, Brazil, Cape Verde, Guinea-Bissan, Mozambique, Portugal and São Tomé and Principe said they were creating the Community of Portuguesa Speaking Countries (CPLP) as a means of improving co-operation in the pursuit of common interests.

President Jorge Sampaio of Portugal suggested that giving official status to an international community united by Portuguese - a language shared by almost 200m people - would also diminish the cultural ascendancy asserted by Britain and France through

their commonwealths. The summit meeting, held close to the quays from where Portuguese navigators set out on voyages that led to the colonisation of Brazil and parts of Africa, Asia and India, was described by several leaders as the start of an historic new relationship.

But the creation of the CPLP, first suggested a decade ago, also reflects efforts by Portugal and Brazil to bolster their prestige, diplomatic weight and economic credibillty by trying to assert a wider cultural influence.

The new organisation will not entail setting up any special trading or currency zone or easing immigration restrictions. Its most visible actions will be diplomatic, including expected backing for Portugal's candidacy to be elected to the UN Security Council for two years from 1997.

"Portugal will count for more in the European Union because of the CPLP," Mr António Guterres, Portugal's Socialist prime minister, said yesterday. Brazil seeks to strengthen its position in Latin

America, where Spanish is dominant; and will draw on support from the group in its bid to be made e permanent member of the United Nations Security Council.

The threat to Portugal's influence in its former colonies was made clear last year when Mozambique became a full member of the English-speak-ing Commonwealth. The impoverished West African nations of Guinea-Bissan and São Tomé and Principe have also moved closer to La Fran-cophonie, the French-language community of almost 50 coun-

Despite being the former colonial power, Portugal is overshadowed within the CPLP by the size and economic might of Brazil, with 162m inhabitants. The two countries are inclined to compete rather than co-operate for a role in developing the economies of the five African members of

the new community.
Mr Anfhal Cavaco Silva, a former Portuguese prime min-ister, acknowledged yesterday that the idea of the CPLP might have been rejected by

the African members as "neocolonialist" if Brazil had not played a leading role in its cre-The group is to make a com-mon diplomatic effort on the subject of East Timor, where

the Portuguese language and culture is central to a resis-tance movement opposing Indonesian rule.

Leaders attending the summit meeting appealed for self-determination and respect for human rights in the former Portuguese colony, officially annexed by Indonesia 20 years ago yesterday.

One of the CPLP's first tasks will be to consider granting East Timor, as represented by resistance leaders, observer status in the new group. Portu-gal also seeks to preserve the Portuguese language and cul-ture in Macao, which is due to be transferred to China in 1999.



# US prepares | Kazakhstan's oil business vs the elements | Pipeline deal sets the stage for tapping energy from hell, write Sander Thoenes and Anthony Robinson to finance a rise in annual destine capacity to 8.5 m.

exhibition oil: bound for Europe

he desert surrounding the oilfield on the north-ern shores of the Casern shores of the Casplan sea is as barren as the moon in winter wolves roam the snow-covered plains; in summer poisonous sand adders - nicknamed "two-step adders" because their victims can take only a few steps before the venom kicks in - slither across the sand. If the ferocious mosquitoes are not biting for a day, it is because a sand storm has chased them away.

Oil crops up in the most inconvenient spots around the globe - and the Tengiz oilfield of western Kazakhstan, from which Europe is likely to get up to 70m tons of oil a year in the early 21st century - is true Nature has also stored Ten-

giz oil at considerable depths, under high pressure and with 20 per cent content of hydro-gen sulphide, an invisible but lethal gas. The level of the Cas-pian Sea, furthermore, now only a few hundred meters from the nearest wells, is rising. When the winds are in the wrong direction the waves lap against the flimsy sand dike built decades ago by Soviet-era oilmen to protect the field they had discovered.

But now the olimen seeking to release the oil and ship it to western markets are employed mainly by western oil companies who moved in over the last five years to exploit a resource which the Soviets had neither the money nor the expertise to develop.

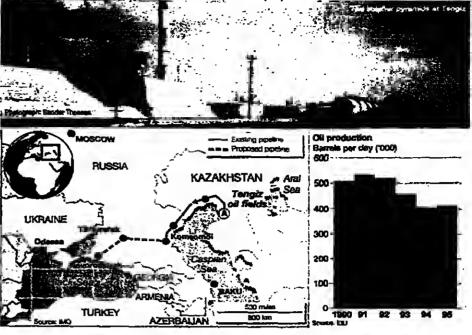
"I love it here," says Mr Nick Zana, director general of Ten-

gizchevroil (TCO), e joint ven-ure between Chevron, Mobil and the Kazakh government, which has been pumping oil at the Tengiz oil field since 1993. "It's not all roses. But the sunsets are great. Twe been more frustrated in other places and this is a giant oil field. When it's up and running, TCO will be one of the biggest oil compa-nies in the world – by itself."

This is the attitude which helped western oil producers survive the difficult years between 1991 and 1995 when they were bogged down by Russian obstructionism and bureaucratic bassles and were forced to put projects on hold. Major oil companies which were not already committed to Kazakhstan restricted their presence to small exploration projects, and others kept out

The main problem was strategic. The only existing export pipeline from northern Kazakhstan runs across southern Russia to the Black Sea port of Novorossiysk. The powerful Russian oil and gas lobbles kept access to a trickle, blaming capacity limitations in the busy pipeline which carries Russian oil from the Urals region and beyond. Without free access to western markets TCO has been unable to export more than a few million tons of oil. Last year, daily production dipped as low as 5,000 tons compared with the peak of 90,000 tons daily planned for the next decade.

Since April however prospects have been transformed. The governments of Russia, for guaranteed access The agreement was followed



Kazakhstan and Oman agreed to offer oil producers 50 per cent of their stake in the Caspian Pipeline Consortium. The CPC was formed to build a 750km-long dedicated pipeline from Tengiz to Novorossiysk. On April 27, Chevron and Mobil together with British Gas, Italy's Agip, two smaller US and Kazakh companies and two big Russian companies, Lukoil and Rosneft, pledged to finance the pipeline in return

by a flurry of related deals, Mobil bought half the Kazakh government's remaining stake in TCO for around \$1.1bn. Royal Dutch Shell pledged to finance Rosneft's share and Vttol, a Duteb oil trader, bought a 90 per cent stake in Kazakhstan's biggest oil refi-nery at Chimkent in the far south of this enormous country, half the size of the US. Detailed negotiations over

the pipeline contracts are now under way. But the crucial element which unblocked the

whole deal was the willingness of the western companies who will foot the bill to concede a total 44 per cent stake in the project to the Russian government and the two Russian oil companies. By so doing the oil companies recognised Russia's obility to block indefinitely a project it was unable to

develop aione. Meanwhile TCO has ebandoned hopes of selling all its oil on western markets for a short-term alternative markets

to finance a rise in annual production capacity to 8.5m tons

by the end of 1998.

Much ingenuity is involved.

Crude now goes by pipeline to Lithuania, by train to Finland and there are plans to send some by barge up the Volga river and down the Don to the Mediterranean. The Kazakh government meanwhile plans to ship its share of oil production to northern Iran in exchange for Iranian crude which will be delivered to Kazakh clients in the Gulf. The US government, which forbids L'S companies to trade with Iran. has chosen to turn a blind eve to what their Kazakh partners

get up to. Meanwhile TCO is selling its natural gas to a nearby power plant, flaring off excess liquid gas - and working hard to find a market for the huge quantities of sulphur removed from the oil to make it transportable without corroding the pipelines. For every 10 tons of oil. TCO produces one ton of sulphur. Thousands of tons of the bright yellow powder are piled up like a neou pyramid outside the processing plant, although one creative marketing manager recently bartered some sulphur for car tires.

Mr Zana bopes that Russia will allow more Kazakh oil through its pipelines once the CPC construction contracts are signed later this year. "Pipelines are the only economic way. Other means of transportation are simply stop-gap measures. They cannot ensure Ten

### US seeks target for reducing greenhouse gases

The US yesterday called for a hinding global target for reducing emissions of greenhouse gases that are warming the earth'e atmosphere, but declined to propose a specific target or time for its achieve-

The US statement, made to the second conference of parties to the United Nations climate change convention, was welcomed by environmental-ists but criticised by the

energy lobby, which has been campaigning hard to prevent countries agreeing tough action to restrict global

Mr Timothy Wirth, undersecretary for global affairs at the US State Department, told fellow ministers that the US wanted a "realistic, verifiable and binding medium-term emissions target".

However, he said the targets proposed so far, the most ambitions being for a 20 per cent cut in greenhouse gas emis-

sions from 1990 levels by 2005, appeared to be "neither realis-tic nor achievable".

Mr Wirth also rejected proposals by the European Union and others for mandatory policies and measures to be taken by all industrialised countries to reduce emissions, mostly carbon dioxide.

He said countries should be able to decide for themselves how best to achieve the target, including mechanisms such as joint implementation (in which rich countries are credited for

helping poor countries reduce their emissions) and tradeable emission permits.

The two-week conference. which ends on Friday, aims to pave the way for an accord on reducing greenhouse gases into the next century, due to be endorsed late next year when the convention's 160-odd members meet in Kyoto, Japan.

However, wide divergences remain on how targets should be framed and implemented, and how tough they should be. Australia, e big fossil-fuel

producer, with support from Japan and some other industrialised countries, bas campaigned hard for differentiated targets that take national circumstances into account.

Mr Robert Hill, Australia's environment minister, also made clear yesterday that his country could not support the long-term goal advocated by the EU - an eventual halving of greenhouse gas emissions in order to keep the projected global temperature rise to less than 2 degrees Celsius.

Earlier this week, a small group of developing-country energy producers, including China, Saudi Arabia, Iran and Nigeria, blocked consensus on a resolution that would have endorsed as "a basis for urgent action" the latest report from the authoritative Intergovern-

Change (IPCC). The report, the work of more than 1,000 scientists, identified for the first time a "discernible" burnan influence on cli-

mental Panel on Climate

INTERNATIONAL NEWS DIGEST

### Sumitomo says it is co-operating

Sumitomo said yesterday it had received no official requests from UK investigators for files relating to trades by Mr Yasuo Hamanaka, the senior trader blamed by the Japanese trading

house for copper market losses of \$1.8bn.
"We had meetings with British and US investigators last
month and told them we are ready to fully co-operate in their investigation," said a Sumitomo official who was responding to yesterday's Financial Times report that the group had refused to give the foreign investigators access to files. "We are fully and actively co-operating with the authorities."

Japan's Ministry of International Trade and Industry, which supervises trading houses, also said it was willing to help UK and US authorities with the investigation, but so far no

equests for assistance had been received. The ministry said it had no jurisdiction over Japane trading houses' commodity operations in overseas markets, such as the London Metal Exchange. Only if a company was suspected of price manipulation when trading in Japan could the ministry take action.

#### Israeli strikers in cuts protest

Half a million workers went on strike across Israel yesterday in protest at plans by Mr Benjamin Netanyahu, the prime minister, to cut at least Shk4.9bn (\$1.56bn) from next year's budget. Activity at banks, government offices, and transport companies came to a balt for 10 hours, while hospitals and ambulances worked with skeleton crews. The strikes also closed the Tel Aviv Stock Exchange, where shares had suffered a two-day plunge that traders blamed on high interest

The Histadrut, the main labour organisation which called the strikes, said the unions were forced to act to drive home the painfulness of the budget cuts.
"We are not going to be the victims of the economic

programme of the government," said Mr Amir Peretz, the Histadrut chairman, at a demonstration of thousands outside the partiament building.

The Histadrut, which represents about 1m workers, has

complained that the planned budget cuts will hurt the working class, the elderly, and children. Sectors hardest hit would be education, transport, medical subsidies and soldiers' pensions. The strike comes at a time when Mr Netanyahu has been depending on optimism over his plan for economic reform to offset concerns about his hawkish positions on Tiene Prusher, Jerusalen Middle East peace.

#### France cancels Gabon debt

France has cancelled FFr400m (\$77.5m) of Gabon's \$4.7bm accumulated debt in a move which coincides with President Jacques Chirac's visit to the oil-producing West African state. In return, Gabon, a former French colony, has agreed to invest an equivalent sum in infrastructure and sanitation projects to be carried out by the private sector.

The French president's African trip – he is due in Congo today – is providing him with a new opportunity to portray himself as a friend of the underprivileged and a strong opponent of further cuts in industrialised countries' aid

#### Uganda lays blame on Sudan

The Ugandan government yesterday accused neighbouring Sudan of masterminding weekend attacks by Christian fundamentalist rebels that claimed the lives of more than 100 refugees and sent 2,000 more flering for their lives. Ti is clear the rebels were executing a mission on behalf of the Sudan. which has in the past stepped up its support for the destabilisation of northern Uganda..." said Mr Amama Mhabazi, the defence minister.

Meet L-Bank's bodyguards. The best security team around.



As the development agency of Baden-Württemberg, L-Bank is backed by the state with the lioos io its crest.

L-Bank's credit quality is aochored lo law. Not the law of the juogle, despite our leopine links, but the law of the Federal Republic of Germany. The force bebind L-Bank's eredit is the federal state of Baden-Württemberg, sole owner of L-Bank and an economic powerbouse of a state, even by German standards. Small wooder, then, that the bank is not compa-

rable with any other bank next door. The close ties that exist between Germany's Southwestero state and its development agency also make for for effective synergies in day-to-day operations. As a symbol of these links, the lions from the state coat of arms, dating back to the medieval Staufer

security team like that, L-Bank is well protected, even in turbulent times. For more information, please contact: L-Baok, Schlossplatz 10/12, D-76113 Karlsrube, Germany. Telephone 1NT 721/150-0.

dynasty, also appear in the L-Bank logo. With the might - and manel - of a Landeskredithank Baden-Württemberg

### Anti-smoking suit denied legal aid

Law Courts Correspondent

A legal action which could have left the UK tobacco industry paying billions of pounds in damages to smokers was blocked yesterday after the Legal Aid Board, which grants public funds to needy litigants. announced it would not use public money to fund the case. The action, in which 300 people suffering from lung cancer and other smoking-related diseases are suing five leading tobacco companies, will now be

can be found to fund it. The £15m (\$23.4m) lawsuit, brought against Imperial Tobacco, Rothmans, British and American Tobacco, Gallabers and Philip Morris, is viewed as by far the most important smokers' litigation in the UK. If it went to court and succeeded, it could open the door to thousands of similar cases. Lawyers acting for smokers claim damages could then approach £10bn, although this figure is disputed by some

in the industry.

Legal Aid Board said the case failed to meet the criteria for public funds being used, including its prospects of success in court. An official denied the decision was prompted by attempts to restrain legal aid spending. Although the smokers' law-

yers were paid some £100,000 to carry out preliminary work, the board did not consider the case strong enough to justify a legal aid bill likely to run into several millions of pounds. The decision was welcomed

London's airports

by the tobacco companies being sued. BAT said the decision confirmed the company's view

tobacco companies. that the claims had insufficient legal basis. Legal actions had Ms Pamela Furness, its chief been brought against tobacco companies in different countries for 40 years and none had yet succeeded, it

Mr Martyn Day, a solicitor acting for the smokers, said the case could only proceed if lawyers worked on a "no-win, no-fee" basis or if alternative funding was forthcoming.

ASH, the anti-smoking pres sure group, said it would launch an appeal for funds to continue the action against the

executive, said of the decision not to grant legal aid: "It is clear that the cost of funding such a gargantuan task was just too big, especially in the light of the cutbacks the board is having to lace". Shares in BAT rose 13p to

Market report, Page 26

### **Ownership** challenged

The opposition Labour party is considering radical proposals to loosen BAA's grip on London's three biggest airports including putting out to ten-der the proposed new Terminal 5 at Heathrow, George Par-

The party is also examining the possibility of forcing BAA to sell Stansted and possibly Gatwick; to create more competition among airports in the south-east of England.

Labour remains concerned over BAA's dominance in the sector, in spite of Tuesday's report by the Manapolies and Mergers Commission which said the current set-up was not

#### Production costs have been informally agreed between the manufacturers and governments, with prices lower than had been anticipated. A solution to the technical problems of the aircraft and agreement on production pric-ing follows resolution of a dispute between the UK and Ger-

was shared out. Britain had hoped to make an announcement on Eurofighter production with the package of equipment orders to be revealed before parliament rises next week. But it will now wait for its partners to complete their preparations and for the aircraft to pass per-

many on how production work

Aircraft

partners

work row

Two critical problems in developing the £25bn (\$54.6bn)

four-nation Eurofighter have been largely resolved, clearing

the way for an inter-govern-

ment agreement on production

Difficulties with the radar

and in developing the flight computer network, which keeps the aircraft stable while

manoeuvring, have slowed

development.

Both problems stemmed

from the way in which work

was divided between different

companies and were resolved

after British Aerospace was appointed to co-ordinate the

work. Eurofighter is now

expected to feature in an aero-

batic display in September at

an air show near Farnborough,

The governments involved -the UK, Germany, Italy and

Spain - are now expected to

authorise £4bn of investment

in the tooling and production lines needed to manufacture

the aircraft from September.

60km south-west of Landon.

resolve

By Bernard Gray,

of the aircraft.

Defence Correspondent

making an announcement. The total value of production of the aircraft is likely to be about £26bn over the next 15 years. Added to the 19bn spent on development, the programme cost is likely to reach about £35bn for 600 aircraft. The UK will have a £9hn share of the production work.

hand, owned by the German car

manufacturers. Dat has ordered

around 2,000 DirecPC systems and

parts catalogues direct to dealers.

The current distribution system

puts the information on to a

CD-Rom, which then has to be

DirecPC will also be used for training and distance learning, and

other target markets include bome

workers, telecommuters and small

businesses. Hot says one of the big-

gest attractions of the system will be its ability to deliver data from

the Internet up to 30 times faster than existing telephone modems - a system it calls "Turbo Internet".

Other possible services include the delivery of retail software direct

to a PC, which users could try

before they buy (the trial software

is designed to become inoperative after a short period of time). In the US, where more than 18,000

DirecPC systems have been ordered.

one of the most popular consumer services is the Financial Ticker,

which continually transmits stocks

A consumer system, comprising dish, electronics and software,

should cost around £1,000, says

Cook, with a monthly subscription

move into the satellite data market. Last month Société Européene des Satellites, which owns the Astra

series of satellites, announced plans

to offer an interactive multimedia service from the Astra 1H satellite,

due to be launched in autumn 1998. We will initially aim the service at

large businesses, such as hotels, retailers, banks and automotive sec-

tors," says Romain Bausch, director

general of Ses, "but we also see an opening in the ScHo [small office,

home office) sector".

Other companies are poised to

and share information.

of around £15.

formance standards before

UK NEWS DIGEST

### Fresh fears for inflation target

The Chancellor of the Exchequer yesterday insisted that he was still committed to his inflation target as official documents showed that he over-ruled the Bank of England - the UK's central bank - in cutting interest rates last month. However, his comments came as the split between the chan-cellor, Mr Kenneth Clarke, and Mr Eddie George, the governor

of the Bank of England, fuelled concern about the direction of The split was revealed in the minutes of the monetary meciing last month, at which the Chancellor reduced interest rates

from 6 per cent to 5.75 per cent. City of London economists fear this decision, taken against the governor's advice, suggests that the chancellor's desire to create a "feel good" factor before the next election could risk the longer term inflation targets.

However, a surprise fall in wage growth in data published yesterday provided fresh ammunition to Mr Clarke's claim that inflation pressures remain subdued.

Gillian Tett and Graham Bowley, London

NORTHERN IRELAND

### Violence discourages investors

The return of intercommunal fighting in Northern Ireland has prompted potential investors to look elsewhere, the UK government said yesterday. Baroness Denton, the British minister responsible for the region's economy, warned that it was "at risk of losing the gains we made last year".

She said one leading non-UK company had indicated that it was no longer considering Northern Ireland as the possible site for a new factory because of last week's violence. While declining to identify the company, she said she was "surprised we haven't had more".

Baroness Denton will be in the US next week, hoping to provide reassurances to pension funds expected to take part in a planned conference in Belfast in September. She will also its-ten to the concerns of US companies whom Northern Ireland want to attract to an investment conference in Pittsburgh in October, sponsored by the Clinton administration.

FT Reporters in Belfast and London

#### **ACCOUNTING**

#### Derivatives 'must be disclosed'

Big companies would have to disclose for the first time details about derivatives and other financial instruments - and show them at their current value in annual accounts - under radical plans from the UK's accounting standards regulator. The Accounting Standards Board move on disclosure is broadly in line with new rules in other countries including the US and are likely to win widespread support.

'At present many of these derivatives are not shown in a balance sheet at all - or are shown at a figure which falls to reflect their true significance," said Sir David Tweedle, chairman of the standards board.

The board's tentative proposals published today in a discussion paper are designed to lead to a new code on disclosure by 1998. The more controversial plans to mark all financial instruments to market - show them at their current value are unlikely to form a new standard until the next century. Non-listed companies would escape most of the requirements. Mr Gerry Acher, bead of audit at KPMG, the accountancy

firm, said they should be "adopted voluntarily without delay" Lex, Page 12

### Compensation dispute delays cattle slaughter

An internal government row over compensation for farmers has forced a delay in legislation for the slaughter of 190 000 cettle. It has thrown into doubt a timetable by the prime minister, Mr John Major, for lifting the European Uniou export ban.

Farmers and MPs were taken hy surprise yesterday when Mrs Angela Browning, a junior agriculture minister, announced that the legislation would not be set down until after parliament returned from its summer break in October.

The delay is understood to have been caused by Treasury sition to paying farmers slaughtered cattle.

Mr Douglas Hogg, the agri-culture minister, is insisting farmers will only back the controversial slaughter if compensation is generous, But the Treasury is opposing the esti-mated £200m (\$312m) expense and pressing for compensation based ou market value thought to be a little over half

Mrs Browning said on a radio programme today: "It's most unlikely now that the debate will take place this side of the recess."

The government had previously indicated the necessary

lthough many companies

use telephone lines and

modems to send or receive

are opting for an alternative route:

satellite say it can offer a more flex-

ible and cost-effective solution to

traditional telecommunications

systems. An increasing number of

companies appear to agree with

Most satellite data systems use a

technology known as VSat (Very

Small Aperture Terminal). This

comprises a small satellite disb

(around 60cm to 1.2m in diameter)

and a box of electronics which may

be linked to a company's computer,

telephone or video equipment A

VSat system can be connected to a

large computer network or even an

The data delivered via VSat is assembled, packaged, encrypted and transmitted from a satellite control

centre, which could be on the other

side of the world. The data may be

sent to a single location, or thou-

sands of sites simultaneously.

Although many VSat systems sim-

ply transmit data, a growing num-

ber are also carrying multimedia

services with video, text, speech

The VSat market is well estab-

lished in the US, where more than

75,000 two-way systems are in use.

The market is growing around 17 per cent per year, with some 100.000

systems expected to be in use by

1998. Companies using VSat systems include Chrysler, Chevron,

General Motors, Ford and Toyota.

slowly: several years ago, fewer

than 2,000 systems were in use. Today, the number is nearer 10,000

systems, and is expected to double

wide range of functions, and by var-

ious sectors, including the automo-

tive, retail, banking and credit-card

industries. Its uses include the

delivery of training materials and

distance learning packages, access-

ing remote databases, and also

transmitting electronic mail

(e-mail), bosiness television pro-

grammes, point-of-sale information.

credit-card verification data and

Organisations with offices scat-

tered across a country or a conti-

nent may find it easier to link their

branches by VSat rather than tele-

phone lines or cable - especially

where a country has a poor or unre-

liable telecommunications infra-

structure. The Indian government

has launched three satellites,

known as Indsat, and leased them

Cadbury India, for example, uses

VSat service developed by

WipoBT, a joint venture between

Wipo, india's second largest infor-

to private companies for VSat use.

financial updates.

VSat systems are being used for a

within the next coople of years.

in Europe, VSat has grown more

individual PC.

and pictures.

Supporters of data delivery by

before the recess next week. Even if it goes through in

doubt the slaughter would

begin until November at the

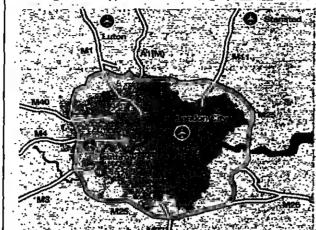
earliest. Then it could take

weeks of EU procedures to approve a lifting of the ban. After the Florence summit last mouth, Mr Major pledged the UK would be in a position to see almost all elements of the EU ban lifted by November. Earlier this mouth, Mr Hoge said he hoped Britain would have all its measures "in place by September".

The government says the slaughter scheme will not start until it has cleared the backlog of cattle over 30 months' old, which are being destroyed under the government's separate cull programme. Mrs Browning said she hoped this would be achieved "by the end of October" - later than previous numisterial forecasts.

The agriculture ministry insisted Mr Major's timetable was still on course and said preparations for the slaughter could begin soon. The National Farmers Union

was last night \*pushing for clarification" of the delay. Sir David Naisb, the president, said: "I'm not going to tell my members they have to co-oper ate unless parliamentary backing is given.'



### Lords condemn EU plans for takeover harmony

Commission Enropean proposals to harmonise company takeover regimes across Europe are ill-conceived and should be opposed by the UK government, a select commit-tee from the House of Lords parliament's unelected upper house - has concluded.

The Commission's draft of the 13th Company Law directive fails to address the real barriers to takeovers in the European Union, the Lords found.

The Lords' European Communities Committee also said

in its report on takeover bids, published today that the directive would increase the risk of tactical litigation by companies making or fighting takeover bids in London. The City's ability to resolve takeover battles quickly would also be compro-

staintory Takeover Panel,

which has waged a vigorous

battle against the proposals.

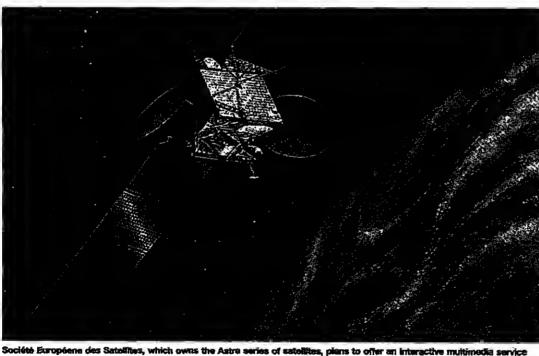
The committee's findings are expected to provide ammunition for a government campaign for the draft to be withdrawn. The conclusions will also give heart to London's non-

its work within a statutory framework could open deci sions to challenges both in British courts and the European Court of Justice. According to Mr Alistair Defriez, director general of the

The panel fears that bringing

panel, the directive would undermine London's role as the takeover capital of Europe, a business that last year generated fees of £950m (\$1,482m) for City institutions. It could also throw the panel open to compensation claims by thwarted bidders or defenders equal to the value of the bid, he said earlier this year.

### TECHNOLOGY



George Cole looks at a flexible and cost-effective

solution to traditional communications systems

### Delivery via the satellite route

British Telecom of the UK. The service, which hegan operating at the start of the year, is used to link II sites, which communicate via e-mail and database software.

"The Indian telephone system is so weak, and it is very difficult to put down miles of cable for a terrestrial system," says Anil Nadkarni, information technology manager at Cadbury India. "VSat offers a much better service."

Another attraction of VSat is its cost when compared with landbased telephone systems, says Mike Cook, managing director of Hughes Olivetti Telecom (Flot): "The typical cost of a VSat site is \$300 [£190] a month, and half of that is the cost of the equipment," he says.

"A company operating on, say, a pan-European basis, could see its communications costs go down by 20 to 30 per cent in the medium term, and even more in the long

The automotive industry has led the way in VSat systems, not least

nies have hundreds or even thousands of dealers scattered across various countries. Last October, General Motor's Opel/Vauxhall unit ordered more than 3,000 VSat systems from Hot. The systems will be used to link the computer networks of dealers in 19 European countries. The dealers will use it for vehicle and spare parts ordering, e-mail and real-time transactions.

because many leading car compa-

IBM is setting up a large VSat network for Pengeot/Citroen, which will connect 4,200 dealers in 11 European countries. The system will also be used for ordering parts and vehicles and, eventually, live video conferencing and taped broadcasts. This will simplify connection procedures and increase the number of exchanges between manufacturers and dealers, while reducing costs. "We'll have a much closer relationship with our dealers," says Jean-Serge Bertoncini, Peugeot/Ci-

troën's director of IT.

VSat technology is also being used by the banking and retail sec-

tor. In Italy, the bank consortium Infrostrada/Cedarinord has ordered almost 300 VSat terminals for branch applications, including its automated teller machine network. The French supermarket chain Casino has around 900 VSat terminals operated by France Telecom. the retail sector is stock reconcilia-

stores can be collected by head office, analysed and stock replenished when required. In September, Hot will launch a new one-way VSat service in Europe, DirecPC. The service, which will operate from the Eutelsat II satellite, will link up to individual PCs and transmit data at 8m-12m bits per second. At these

speeds, 400 pages of data could be transmitted in less than a minute. DirecPC will initially be aimed at large businesses, which could use it to deliver data packages to individual companies or workers. One of the first to sign up for the

service is Deutsche Automobil Treu-

Eutelsat, the European satellite operator, also plans to offer a PCbased data service. The company has developed a prototype data system that uses a PC card and dish, and offers users Internet speeds around 100 times faster than exist-One of the main uses of VSat by ing telephone modems. "The PC cards would cost around \$300 to tion. Sales data from a company's \$500 each, and could be available next year," says Giulino Berretta,

> A further venture was announced last month by Microsoft, the US software giant, Nintendo, the Japanese game maker, and the Nomura Research Institute, which plan to launch a satellite-based online service in Japan next year. The service will transmit a mix of

Eutelsat's commercial director.

sport, news, shopping and enterisinment services from the St Giga satellite system to suitably equipped PCs. Microsoft plans to launch a similar service in the US next year in a joint venture with DirecTV, the satellite digital TV ser-

### Worth Watching · Vanessa Houlder



Why nicotine feels necessary

Until recently, nicotine was usually considered to be habit-forming but not addictive. Now fresh evidence of its addictive power has been provided by researchers at the University of Cagliari in Italy, according to a report in today's

Nature magazine. When scientists injected small amounts of nicotine into rats, they found it mimicked the neurochemical and metabolic effects of cocaine, amphetamin and morphine. The part of the brain that was affected is involved with the integration and expression of the emotions - and is known to be associated with the cravings and rewards associated with drug use. University of Cagliari: Italy, tel 3970303819; fax 3970300740,

Faster download of WWW pages

Downloading World Wide Web pages can be tediously slow. Open Market, a US Internet software company, has designed software that tries to deal with this problem by retrieving requested Web pages at prescheduled times.

storing them off-line and updating them when required. The software, OM-Express, is able to interact with online information, so users can order items electronically or connect to another page. It costs \$29.95; details are available from http://www.openmarket.com

Open Market: US, tel 6176219500; fax 6176211703.

#### Polymer coating cuts inflammation

Scientists in Israel believe they have found a potential method of treating chronic inflammatory The approach taken by

researchers at the Weizmann Institute and Ben-Gurion University centres on a drug delivery system that can tackle excessive quantities of "tumour ecrosis factor" (TNF) in the body. Too much of this substance which normally kills diseased

cells and controls inflammation causes rheumatoid arthritis and other conditions such as disease-related weight loss. Previous studies have shown

that excessive levels of TNF can be reduced by injecting soluble receptors that bind with it into the bloodstream, but it proved difficult to maintain a steady level of the receptors.

The latest approach, reported in Cytokine, involved coating the receptors in a polymer so they were continuously released in small amounts. Tests on mice showed that injections of the polymer-coated TNF receptors alleviated symptoms such as swelling of joints for several

Weizmann Institute of Science: Israel, tel 97289343852; fax 97289344104

**Embossing beats** microchip fraud

Memory Card Technology, a Danish IT company, says it has developed a low-cost technique for cutting microchip fraud.

A serial number is embossed on each memory module it produces, during the assembly process. The number can be checked against a database of registered owners, allowing the police to trace stolen chips back to their original

Memory Card Technology: UK. tel (0)1753 685444; fax (0)1753 686429.

#### No froth from the bottom of the barrel The explosion of froth into a

half-pulled pint of draught beer is a familiar problem for bartenders worldwide - it means they have reached the bottom of the barrel. writes Andrew Baxter.

The froth wastes beer - and the bartender's time spent cleaning up. Now Israeli-based Selector has introduced Fob Stop, which shuts off the flow of heer as soon as the keg is empty, so that little foam comes out of the tap. The company says the device should

save 1% pints for every 100. Selector: Israel, tel 97239245559; fax: 97239245499

12748 6 28

<u>830</u>7

7

made of the state of 5 . B

100 Torres A State of the State of The state of

To the Real Property

### Comedy squares the difference

ferences in movie culture between Europe and America. In Hollywood film-makers are crass, vulgar and dollar-obsessed (goes the wisdom). In Paris, Rome or Madrid directors wear berets or artistic frowns as they trawl the streets for human reality or hold their viewfinders to heaven to catch the pulse of l'existence universel.

This was the subtext, we all konw. behind the Gatt fuss some years ago. It had nothing to with quotas or economics. but everything to do with the belief that the EC and US are two different movie hemispheres separated by a large, watery pinch of salt.

Ĵ

But do we believe the belief? If they are separate, why do The Truth About Cats And Dogs and Les Apprentis seem like the same film in different languages? Both these comedies about human relationships have charm, warmth and wit. Both are also built on oos of those unexamined cliches that are part of everyone's movie lore. It goes: people without stable relationships are dysfunctional, especially

people who live in apartments. Though based on a premise no less disputable in Saint-Germain than in Sunset Boulevard, this genre has given us richly variegated gems from Repulsion to The Tenant, from A Bout De Souffle to The Odd Couple. This week's odd couple of films once more run through

What goes in the flats of unmarried people? Unwashed

deal of nonsense is laundry goes on. Ill-stocked talked about the dif-refrigerators go on, containing at least one piece of meat or cheese developing advanced verdigris. Phone calls from anxious mothers go on, and on. And pets and musical instruments go on, as substitutes for wife or husband. In The Truth About Cats And Dogs Abby (Janeane Garofalo) is a dumpy,

> THE TRUTH ABOUT CATS AND DOGS (15) Michael Lehmann

LES APPRENTIS (15) Pierre Salvadori

HAPPY GILMORE (12) Dennis Dugan

**HUSTLER WHITE (18)** Bruce LaBruce and Rick Castro

BACK OF BEYOND Michael Robertson

acerbic young radio vet, who returns each night to her lonely lair in Santa Monica. Abby's grotty room is housed in a wisteria-clad palazzo worthy of Ravello, but that may be just an LA production designer's consolation delirium. Her only friends are her vio-

lin and the blonde model across the hall (Uma Thurman), who being single is also dizzy and incompetent. When they fall in love with the same Englishman (Ben Chaplin), this focuses their entire minds

clean up their apartments without aid of human hand.

Chaplin is a bushy-browed cockney who first phooes Abby's programme to ask why his Great Dane is growling after being required to don roller skates for a TV commercial. Anyone who needs to ask that is in need of phone-in psychotherapy himself.
Instead a Chaplin grateful to
Garofalo for her help starts

dating Thurman because the first girl, embarrassed about her plain looks, pushes the second girl at him pretending that she is she. All clear? If not, e helpline will be established after this column. In the event, screenwriter Audrey Wells and director Michael Lehmann, showing that inside the man who made Hudson Howk, the man who made Heathers is still trying to re-emerge, to put lovely comic spins on this mistaken identity romance. It is not just the lead players who scatter charm, especially the ex-Larry Sanders Show Garofalo. A good comedy is nourished by its minor characters, here deliciously tart from the stern cosmetics assistant who holds up a mirror to a customer's face saying "Do you see bow dry and discoloured you are?" to the pets themselves, who instead of being winsome pushovers have minds, wits and pushing-over plans of their own. The message is: we do not mind clichés ebout buman life if they are freshly. brightly re-enacted. In Les Apprentis, a comedy of feckssness from Pierre Salvadori, Guilleume Depardieu (son of



Ben Chaplin rings a radio vet to ask why his Great Dane keeps growling in The Truth About Cats And Dogs

Gerard) is a bachelor slob living with another bachelor slob

(François Cluzet). Cluzet, writing an unfinished play, cannot even finish his letters to an estranged girlfriend. Depardieu props np their life by shoplifting gro-ceries, though his friend complains, "We only eat what fits in your pockets." At which point a third friend who works for an airline pops round with some plastic trays: "Tve just nicked some inflight meals." Only French cinema has this

genius for plotless plots. The film shambles between endearing mishaps, the only structure being the geometrical progression by which the mishaps get worse. From domestic disarray we graduate to e robbery, a

beating up and a spell for Cluzet in e mental asylum. The film is not all funny. but in the best sense it is a

Writer-director Pierre Salvadori, who had e debut hit with his doleful romp about a hitman Wild Target, has the priceless gift of non-emphasis. Comic situations are not forcegrown but spring unaided from tiny seeds of truth.

A eingle cootrived detail would destroy ecenes like Depardien's scared-silly participation in a sex threesome - he eeps throwing anxiously ingratiating glances at the girl's voyeur lover - or like the matter-of-fact brutality with which Cluzet's robbed boss, a martial arts gym owner, sets

abont the appropriately in-house punishment of his employee turned thief.

Hoppy Gilmore, e golfing comedy, is the week's third film in which an unmarried protagonist wreaks havoc on the world. Probably not even the love of a good woman, how ever, would stop the sportsman-maniac of the title (Adam Sandler) from unleashing his ice bockey origins on the genteel world of three-irons. check trousers and cathedral-voiced commentators.

Happy'e ability to smash golf drives into adjoining countles encourages this move from rink to fairway. That and the need to save his mother from a Sing Sing-style old people's home, where she works on the

quiltmaking chain gang. Worse than Caddyshack but better than Caddyshack 2, it passes 90 agreeable minntes. However, you should be warned that at the box office. there is a fair share of mocking the disadvantaged, from Carl

Lee Trevino mercilessly asked to play Lee Trevino.

Disability is no handicap, nor is any other foible, in Hustler White, a gay comedy whose visual explicitness and erotic variety make Andy Warhol seem like Carl Dreyer. So does the film's technical command. The jerky, overexposed images move from one enormity to another - every mot is juste while the plot plays variations

Weathers as a golf pro with an-

accident-prone wooden hand to

Aunt Edna will he in the trauma ward before the opening credits are over. Others. please form an orderly queue

Back Of Beyond is an Australian fantasy thriller salvaged from oblivion by the National Film Theatre. Why?, we ask. What was wrong with oblivion? Strictly Ballroom's Paul Mercurio mans a semiderelict filling station in the remote desert, where everyone stops by from jewel thieves to pretty girls in scrub-torn short skirts. Could it all be supernatural? We only know that time and reality must be subjective in a film where people speak in 1950s-style B-movie mantras and where 85 minutes seems

#### Theatre/Ian Shuttleworth

### 'Birdy'

lan Parker's 1984 film adaptation of William Wharton's first novel Lis now largely (and undeservedly) neglected - but not by Kevin Knight, who directs this stage version. The rooftop scenes on a

high-level gantry may coincidentally resemble the same scenes on film; It may even be mere happenstance that the actor cast as army psychiatrist Dr. Weiss (Peter Banks) bears a startling resemblance to his cellulold counterpart; but to use a poster programme image which effectively reproduces that of Parker's work surely goes beyond mere brand-recognitioo. Elsewbere, though, the play comes into its own.

Hot:

mer

Itabl

rien

and I

possi

differ

and .

busin Whith

the de

and ti anoth

career

said M

favour

he four

dead". Suma SOT in

London

tions aga

on cultu

ining m

ment str

here are

ple may

difficultie

problem

But e de

by Keith

lary of Ni

biggest ca:

pany, three

to cultural

arms of Jan

between th

and British

such as attit

ways of cor

parcelling ou

ordinates -

conflicts, a

Jones, who

The big b

Projects

400

300

200

A range

with th

Sor

Where Parker simplified Wharton's novel into a superior, offbeat buddy-movie with incidental commentary upon the horrors of the Vielnam, adaptor Naomi Wallece remains faithful to the book's secood world war setting and cooceotrates oo the puzzled homoeroticism belween the central duo, Al and Birdy,

This reaches its peak when the latter, imagining himself to be a bird silectly demands to fed avian-style from an arrow the most disfed avian-style from Al' s many of us are ever likely to see on stage.

Kolght's stage design is remarkable. A buge, crazily

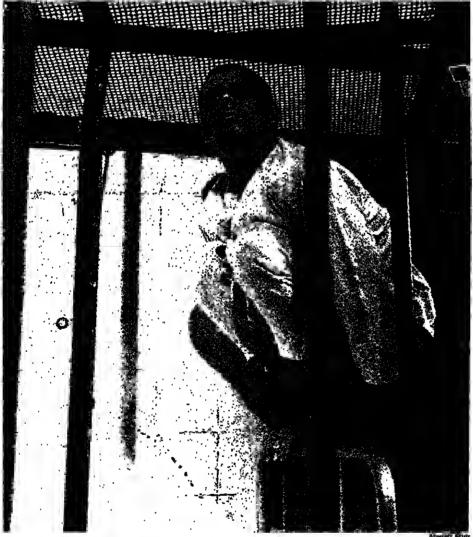
sloping circular grille takes np most of the Lyric studio's playing space; on this upper level young Al and young Birdy play out their teenage activities, as we see Birdy's increasing fascination with his feathered friends. The grille cants up to reveal beneath it, on a revolve, Dr. Weiss's sur-gery and Birdy's cell.

Corey Johnson makes a fine Sergeant Al, literally defaced during the war and crippled by his temper. Johnson gives Al a Montgomery Clift-like dimension of something always kept just out of sight. Matthew Wait as the older

Birdy has the crouching and flapping down perfectly. It comes as little surprise that when Birdy returns to "humanity" in the final scene. be can dismiss his delusion as preteoce; no matter how the line is meant. Wait's earlier performance gives it a literal truth. The couple's younger counterparts, Adam Garcia and Tam Williams, are competent but unexceptional Naomi Wallace may, to an

extent, be marking time before her next original play, but Birdy - despite its ewkward ending - is nevertheless one of the better studio shows on display this summer.

Lyric Studio Hammersmitb, London W6, until August 17 (0181 741 2311)



Truth takes flight in Matthew Wait's performance as Birdy

### Concert/David Murray Resplendent LSO helps

## Barbican pass the test

ast Sunday and on the previous Thursday, the London Symphony for Kent Nagano in the Barbican Hall. We realised again how substantial the improvements to the Barbican acoustic have been; there could hardly be more stringent tests than Mahler's Sixth Symphony tonight and Berlioz's La Domnation de Faust (Sunday), and neither of them ever sounded clotted, glaring or harsh except, of course, when the composers wanted them to do.

It was a joy to hear the Berlioz in its proper setting, which is a concert hall - ideally, as this time, with dramatic lighting, but with no attempt to stage e dramatic story. La Damnation is really

unstageable (as Covent Garden discovered not long ago), because its dimensions and proportions were not imagined for theatrical purposes: too much of the story omitted, too many minor episodes dwelt upon at length.

Here Nagano kept the house mostly in darkness, the orchestra equipped with small read-ing-lights, and the soloists and parts of the chorus lit up in turn (and sometimes in lurid hues) as they came musically to the fore. Thus La Danmation passed like a fevered dream, a fluid sequence of fantastic memories and yearnings - much like the Symphonia fantastique, in fact, which is just as it should be.

There were several very French details of the score which sounded cosmopolitan and a bit lush in Nagano's treatment, but not to the detriment of a solid overall success. Imposing support from the London Symphony Chorus and the New London Children's Choir, excellent soloists. Ginseppe Sabbatini's tenor Faust never sounded anything but Italian, and yet was perfectly adapted to Berlioz style: Natale De Carolis's Mephistopheles, also stylish, needed only a little more bass weight; Olga Borodina made wonder-ful, melting sounds as Margue-

The Mahler Sixth was distinguished above all by inspired playing, from every first desk and every section of the band. From Roy Carter's infinitely expressive oboe to the nobly unanimous trombones, there were creative contributions from everybody.

Negano's reading was assured and strong. I should quibble with his (unmarked) relenting for the "Alma" theme in the first movement, which

sounded sentimental, and his emphatic tempo-changes in the finale left it as a series of vivid episodes, rather than a whole, implacably driven sequeoce; but the andante was ravisbingly sustained, and there was wealth of perceptive detail

throughout - riches enough.
That concert also offered the premiere of James MacMillan's The World's Ransoming, commissioned by the Benjamin family for the LSO and their superlative cor anglais. Christine Peodrill. The music has the air of e religious ritual, which is indeed what it is: ao orderly meditation on Maundy Thursday, of considerable breadth and depth. Miss Pendrill's instrument winds plangeotly through the score, while enisodes with various instrumental trios spring up and

The felt drama of The World's Ransomina reaches considerable heights in the orchestral skill, and his art of construction, ensure that It pleases the ear and rewards

We shall surely hear more of it: for e start, wheo the LSO repeats it next December, not long after MecMillan's new cello concerto has its premiere with Rostropovich.

# INTERNATIONAL

#### AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-5730573 Catherine Leonard and Maria Kulakowska: the violinist and pianisl perform works by Beethoven, Stravinsky and Wilson; 8.30pm; Jul

 Maria João Pires, Augustin Dumay, Jian Wang and Roberta Alexander: the planist, violinist, cellist and soprano perform Schuhert's Piano Quintel in A. D.667 and Der Hirt auf dem Felsen; 8.15pm; Jul 19

#### **BERLIN**

EXHIBITION Berinischa Galerie -Marin-Gropius-Bau Tel; 49-30-254860

 100 Zeichnungen – Ausgewählt aus der Graphischen Sammlung der Berlinischen Galerie: exhibition of 100 drawings from the museum's collection, spanning the period from the end of the 19th century to the

#### present: to Aug 4

DUBLIN

CONCERT National Concert Hall - Geoláras Naisiúnta Tel: 353-1-6711888 The Orchestra of St Cecilia: with conductor/homist Barry Tuckwell perform works by Haydn, Mozart and Schubert; 6.30pm; Jul 19

### EXHIBITION

Irish Museum of Modern Art Tel: 353-1-6718666 Sidney Nolan: The Wild Geese: painted in 1989, "The Wild Geese" series ie one of Sidney Nolan's final works. From the vantage point of old-aga, the artist looks at a number of key figures, who, through wanderlust or forced emigration participated in significant flights from the familiar; to Jul 21

### ■ FRANKFURT

EXHIBITION Schim Kunsthalle Tel: 49-69-2998820 Lucio Fontana: a maior retrospective exhibition featuring the work of the Italian artist Lucio Fontana (1899-1968).

The exhibition includes close to 200 works selected from museums and private collections throughout the world. Following recent research in Argentina, where Fontana was born, hitherto unknown works from Argentine sources are shown to the public for the first time; to Sep 1

**LONDON** 

#### Serpentine Gallery Tel:

44-171-4026075 Peter Fischil – David Weiss: in this exhibition these Swiss artists

present an installation which occupies the entire space. Combining sculptural elements and video, the work exemplifies the artists' observations on the nature of with balance and imbalance. The artists have created a wunderkammer (a room of

wonders) made up of their sculptures, a series of alide projections and film; to

JAZZ & BLUES Barbican Hall Tel: 44-171-6384141 Branford and Ellis Marsalis: the iazz saxophonist and jazz pianist perform interpretations of standards from the classic American song repertoire, including "Miss Otis Regrets", "Lulu's Back in Town", "Stella by Starlight" and Ellington's "Angelica"; 7.30pm; Jul

#### Queen Elizabeth Hall Tel: 44-171-9210600

 Henry Threadgill: performance by the jazz saxophonist/composer, accompanied by his group Make A Move, which includes guitarist Brandon Ross, accordionist Tony Cedras, double bass-player Karl Peters and drummer Gerald Cleaver, 7,45pm; Jul 19

THEATRE Barbican Theatre Tel: 44-171-6384141

 Julius Caesar: by Shakespeare. Directed by Peter Hall and performed by the Royal

#### Shakespeare Company. The cast includes Christopher Benjamin; 7.15pm; Jul 19, 20 (also

### LOS ANGELES

CONCERT Hollywood Bowl Tel: 1-213-850-2000

 Hollywood Bowl Orchestra: with conductor John Mauceri, soprano Diana Soviero and tenor Richard Leech perform works by Rota, Puccini, Giordano and Morricona: 8.30pm; Jul 19, 20

#### EXHIBITION Norton Simon Museum of Art Tel: -818-449-6840

 Cherished vistas and famous places: Hiroshige and the Japanese woodblock prints by the Japanese artist Ando Hiroshige (1797-1858). Hiroshige is best known for his many landscape series celebrating the beauty of 19th century Japan. His series "Fifty-Three Stations of the Tokaido" forms the basis for this exhibition; to Jul 21

#### NEW YORK CONCERT

Avery Fisher Hall Tel: 1-212-875-5030 Mostly Mozart Festival Orchestra: with conductor Raymond Leppard. planists Andreas Haefliger, Kun Woo Palk and Christian Zacharias perform Mozart's Piano Concerto No.23 in A major, K488, Piano Concerto No.24 in C minor, K491 and Piano Concerto No.25 in C major, K503. Part of the Mostly Mozart Festival; 8pm; Jul 19

 Time Warner Concerts in the Parks: The New York Philharmonic; with conductor Elli Oue perform works by Mussorgsky, Stravinsky, R. Strauss and Respighi in Cunningham Park, Queens: 8pm: Jul 19 Giants Stadium Tel:

1-201-935-3900 The Three Tenors: José Carreras, Plácido Domingo and Luciano Pavarotti: accompanied by The Philharmonia Orchestra with conductor James Levine. This concert is a part of the World Tour of The Three Tenors; 9pm; Jul 20

EXHIBITION Whitney Museum of American Art Tel: 1-212-570-3600 Shigeko Kubota: exhibition featuring a new installation of metal, mirror, video, and motorised sculptures, created between 1992 and 1996 by Shigeko Kubota. The sculptures - some first shown at the

1993 Venice Biennale - Include

"Bird II", "Video Flower", and "Video

### PARIS

Tree"; to Aug 25

DANCE Théâtre National de I40péra -Opéra Gamier Tel: 33-1 42 66 50

 Coppélia: a choreography by Bart after Saint-Leon to music by Delibes, performed by the Ballet de l'Opéra National de Paris and the Orchestre de l'Opéra National de Paris; 7.30pm; Jul 18, 19, 20

#### ■ PHILADELPHIA **EXHIBITION**

Philadelphia Museum of Art Tel: 1-215-763-8100

 Cézanne: an international loan exhibition spanning the career of organised by the Philadelphia Museum of Art in collaboration with the Réunion des Musées Nationaux Musée d'Orsay in Paris and the Tate Gallery in London. The display includes 100 oil paintings, 35 watercolours and 35 drawings; to

#### SALZBURG **OPERA**

Grosses Festspielhaus Tal: 43-662-80450 Jephta: by Handel, Conducted by Nikolaus Hamoricourt and performed

by Concentus Musicus Wien and the Arnold Schoenberg Choir. Soloists include sopranos Dorothea Röschmann and Isabel Rey, and mezzo-soprano Marjana Lipovsek. Part of the Salzburger Festspiele; 6.30pm; Jul 21

#### ■ WASHINGTON

EXHIBITION National Museum of American Art Tel: 1-202-357-2700

 Beauty Reconfigured: The Art of Thomas Wilmer Dewing: exhibition devoted to the turn-of-the-century Gilded Age artist Thomas Wilmer Dewing, best known for his depictions of women in interiors and dreamlike nutdoor settings. Originating at The Brooklyn Museum, this exhibition is expanded; from Jul 19 to Oct 14 Listing compiled and supplied by ArtBase The International Arts Database, Amsterdam, The Netherlands. Copyright 1996. All rights reserved. Tel: 31 20 664 6441

#### WORLD SERVICE BBC for Europe can be received in western Europe

on medium wave 648 kHZ.

**EUROPEAN CABLE** AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

FT Business Moming

10.00 European Money Wheel Nonstop live coverage until 15.00 of European business and the financial

17.30 Financial Times Business Tonight

CNBC:

08.30 Squawk Box

10.00 European Money Wheel

18.00 Financial Times Business Tonight

рL

sit

th

No

ous, as a chancellor will usu-

ally be able to point to

members who happen to agree

with him rather than the gov-

ernor or board majority. There

is also the problem of finding

high quality outside members.

if they are sworn to observe a

Trappist silence and have no

The proposed Labour

duties but to speak and vote.

on the road to full indepen-

dence. This could come about

in two ways. The Labour lead-

ership is open-minded on the

issue and will be influenced by

But a more plausible route

to independence is through

membership of the European

Economic and Monetary

Union (Emu). It is a condition

of membership that members'

central banks must become

independent, if only on the

Markets are going to be dis-

appointed if they expect

Labour to come any cleaner

on Emu itself. Even assuming

day before Emu takes place.

the Bank's "track record".

**Economic Viewpoint · Samuel Brittan** 

### Sterling in euro's shadow

Labour's compromise plan for the Bank of England makes sense mainly if it is seen as a step towards full independence ahead of monetary union

Sometimes a compromise may be worse than either extreme. election, it will have its hands full domestically. A lot will This may be true of Labour's also depend on just how bad policy of giving the Bank of England more "operational" the hudget deficit is at the time. If the UK looks as if It say in monetary policy. Labour proposes that the can approach as near to the famous 3 per cent limit for the Bank's monetary recommendeficit as Germany or France, dations should not come from the governor alone, but from there will be no problem. But an eight-person Monetary Polto make a heroic cut in aggreicy Committee "drawing on outside expertise", with memgate public expenditure larger than the Conservatives would bers serving for seven years. have done (or increase taxes So far so good. The proposed by more instead) would seem

arrangements are less depento Mr Tony Blair, the Labour leader, too high a price. dent on accidents of personality than the highly publicised Nevertheless, postponing a meetings between Mr Kenneth decision or deciding to join a counte of years after the 1999 Clarke, the chancellor, and Mr starting date has its own dan-Eddie George, Bank governor. But the Bank has become gers. One minefleld is the worried about possible snags. Exchange Rate Mechanism. On a strict interpretation of Maastricht, Emu founder If it were really independent then it would make sense for members must be in the ERM individual board members riews to be eventually for two years before the decidisclosed - as they are at both sions on membership are taken in March 1998. This the Federal Reserve and the means they should have been poses. But if the Bank is inside since this spring. still just giving advice any publication or leakage of individual views becomes danger-

Contrary to popular belief. Mr Clarke failed to get this condition waived; but he did achieve an understanding that the issue would not need to be clarified until 1998.

Is this a distinction without difference? As so often, an outlying country such as Italy or Finland might bring matters to a head. For if either or both were to rejoin the ERM, it would be as a marker

that Labour wins the next for Emu membership; and traumas with a doctrine that they would be likely to emphasise the link. There is also a difference of

perception. For most British politicians, an ERM with a 15 per cent margin of fluctuation around the central rate is a formality. But France, Germany and their immediate neighbours see it as a means of maintaining approximate exchange rate stability, but with sufficient weapons to fight speculators who no longer face a one-way bet. The ironical aspect is that it was Mr Clarke who - when the UK was a non-member - proposed the 15 per cent margins in 1993 when the ERM was threatened with break-np or going into long-term suspension.

The most acute place where UK dilemmas could come to a

recently as 1994. Nevertheless, even blips have in the past been large enough to present awkward policy dilemmas. The Trea-

head is the familiar one, sterling. The upward trend in the pound, visible until this week's setback, amounted to little more than a blip in a long downward movement. At just above DM2.3, the pound is now not only well below its old ERM rate; it is still well below the rate prevailing as

sury emerged from past

Sterling's slight recovery



some of strain of any movement into or out of sterling should he taken on the exchange rate and some on interest rates. This means that

if sterling rises, downward pressure is being put on output and prices and this permits a level of interest rates lower than it would otherwise be". Such considerations could not have supported the base rate cuts which the chancellor has made since antumn 1995, as starling was then lower

than justified by international cost comparisons. These past interest rate reductions could be justified only by domestic worries about the slowdown in recovery and the size of the capacity gap. But if sterling rises much further, anxiety about its appreciation could take hold as an independent influence on policy. Sterling'a setback this we

reflects tha troubles of Wall Street and the dollar. Financial markets are now hoping for a lead from Alan Greenspan's Congressional testimony today. But there are several forces which could soon boost sterling further. The financial markets are

becoming ever more convinced that Labour is now at least as much a party of sound money as the Conservatives. On top of this is the belief that Labour is more likely to take Britain into Emu. As I have just explained, Labour leaders do not themselves know if they will, or if so when. But a higher probability is sufficient to affect exchange rates and interest differential between sterling- and D-Mark-denominated assets would make no sense under a single currency. If the UK were expected to a bargain for mobile fund-

So if UK entry were certain, sterling interest rates would have to come down, say to French levels, Alternatively sterling would have to oversboot to a level where an expected future fall, before fixing the Emu entry rate, would compensata for the present interest rate advantage. As entry is far from certain, market movements will not go so far, but go that way.

At one time the Treasury response to such dilemmas was influenced by a rule of thumb that a 4 per cent rise in the sterling index justified a 1 per cent reduction in base rates. This rule is now disowned; but for want of some thing better market analysts will still look at it during any sustained rise in the pound.

in any such rule, or its judgmental equivalent, is however far from satisfactory. When sterling rises and interest rates fall, the domestic service and consumer sector of the economy benefit, while the traded and manufacturing sectors are squeezed.

If sterling is to be fixed against a currency like the D-Mark, then the rate of inflation in British traded goods would not be able to exceed the German average. But it can take a long time for the external anchor to outweigh an immediate boom in property prices, consumer demand and service expenditure of the kind we saw in the late 1980s.

If the link with the hard currency bloc were permanent, it would be worth weathering some temporary domestic inflationary disturbances to achieve the blg prize of long-term currency stability. But as previous experience with shadowing the D-Mark and RRM membership showed. it is not worth weathering which is liable to snap.

The only lasting solution to the conflict between external and internal pressures on monetary policy is to do away with the conditions that give rise to the dilemma - namely the division of a single market among several fluctuating currencies. Instead a common currency should he estahlished with monetary policy designed to stabilise average monetary conditions among BOOK REVIEW · Christopher Taylor

IN WITH THE EURO OUT WITH THE POUND: The Single Currency for Britain: By Christopher Johnson Penguin, 272pp, £7.99

### A clear view of Emu impaired by a rosy tint

doubts that the European Union'a plan for economic and monetary union (Emu) is of colossal importance for Europe and the UK. Yet the

ge does not seem to be

reaching ordinary people. Christopher Johnson, highly respected economist and leading supporter of UK membership of Emu, has made a beroic attempt to remedy the shortage of accessible information. However, this book merits only two cheers: although impressive, its conclusions are unduly rosy in vital respects.

On at least one main point, Johnson is surely right: the economic arguments about monetary union can stand on their own. He shows that monetary union can function without a large central hudget or heavily co-ordinated powers of taxation and public expenditure - provided governments have the freedom and wisdom to follow sensible fiscal policies. This means that a successful Emu will not require a

lot of political integration. But the problem with the pure economics of Emu is that although some of its possible effects might be large, they are highly uncertain. The readily quantifiable benefits such as savings in transaction costs are small. On Johnson's figures, they might add 1-2 per cent permanently to the gross domestic product of member states. This would be a useful gain but hardly warrants the upheaval and risks.

The potentially large effects of monetary union are basically threefold. First, it could deliver a substantial cut in interest rates for weaker-currency states, by ending uncertainty over exchange rates and reinforcing fiscal discipline.

Johnson estimates this could add up to 0.5 per cent to annual growth of the UK's potenbal GDP over 10 years. This is not far-fetched, but

commentator whether Emu would function well or not - essentially a question of political will.

The main risk is that once governments have qualified for membership of the single currency, they will be tempted to relax fiscal policies. This could occur in reaction to the austerity needed to qualify for Emu. and governments will face no threat to their exchange rate from higher borrowing.

Admittedly market discipline on governments could be tighter in the monetary union because of the ban on intergovernmental bail-outs - but this cannot be relied on. Nelther can the quasi-automatic financial sanctions for bad behaviour advocated by the

German government. A second benefit would be the greater price stability that might be a product of Emu. It is widely accepted that low inflation, if established and expected, helps growth in the

But even here the evidence is shaky. Respected economists used to argue that a moderate rate of inflation helps the adjustment of relative wages and prices. And the experience of the core European economies since tha 1970s suggests prica stability brings significant costs in unemployment. There is also some question

whether the creation of a hyper-independent European central bank is necessary for better inflation performance. National central banks might achieve as much if less susceptible to political interference than most have been.

The third key area of uncertainty surrounds the potential costs of abandoning an independent monetary policy and a flexible exchange rate, which allow countries to adapt their policies to their individual circumstances. These costs should not be excessive for countries with similar industrial structures and flexible labour and product markets capable of adapting to change.

No informed factors. Most crucial is evidence that the UK does not score highly on these counts. But he dismisses worms about the UK's "real convergence" with other EU economies on the grounds that sterling is now very competitive against

the D-mark and French franc. This suggests an important blind spot in his appraisal. Sterling may be competitive but there is a growing realisation that the D-mark is heavily overvalued against the dollar as - to a lesser extent - are the other strong currencies in the EU exchange rate mechanism.

Pressure for a downward adjustment to the D-mark tor. after monetary union, the euro) must surely occur if and when the core states are firmly launched on a sustained economic recovery. No doubt the Bundesbank will set monetary policy to avoid any decline in the D mark as it shepherds Europe's proudest currency into Emu. And the European central bank will resist any threat to the euro in the name of price stability. But this: could keep unemployment high in the heart of Europe for years to come, and imply interest rates which would be too

high from a UK viewpoint. Such uncertainties do not necessarily mean it would be a mistake for the UK to enter Emu. Participation could be greatly to its advantage in the long run if the new monetary regime is run sensibly, the fiscal rules are interpreted flexibly and observed scrupulously. and real convergence is

secured beforehand.
But waiting would probably be wise if it made it possible to... become more confident that. these reasunable conditions would be met, and some improvement could also be negotiated in the accountability of the new central bank:

tax e "s

eug.

thought .

aontai 🐰

The traper

\* Pales

ces have no ex-Talor, r.

स्थाक्ष्य । ११ क

er muss of the

attebric : .

443750

ritles the a

erly rocks ... .

reasu

₽€ allow-...

namer ....

the land.

Troub

The author is a visiting fellow of the National Institute of Economic and Social Research. in with the euro, out with the pound is available from FT Bookshop, by ringing +44 181 :

### Climate change: we're all in this together

Concern about the impact of human activity on the global climate—a concern Mobil has been discussing in this space—is triggering actions that may create major dislocations unnecessarily. Most of the world's governments have subscribed to a United Nations-sponsored Initiative that is developing legally binding targets, timetables and common measures to reduce greenhouse-gas emissions produced by developed nations beyond the year 2000.

Such an approach is likely to cause severe economic dislocations at a time when many nations are striving for growth and jobs to cataput them into the 21st century. Such speed may not be needed or even desirable given what we know and do not know about the economic and environmental impact of what climate change might

Though the industrialised world accounts for half of greenhouse gases, that share will drop as developing nations flex their economic muscle. If developed nations act alone to reduce emissions, the staggering cost imposed on energy-intensive industries will drive nations to export much of their industrial base to countries with less stringent controls.

World economic health will suffer as nations are forced to switch from fossil fuels, saddled with large carbon taxes and driven to prematurely scrap many factories and machinery. The dislocations will be even more severe if the solutions are not implemented globally.

This does not mean we should hope for the best and do nothing. Much has already been achieved and there is more to come.

Energy efficiency and conservation: Industrial nations have vastly improved the performance of the internal combustion engine and of their heating, cooling and lighting appliances. Among the OECD countries, energy consumption per unit of gross domestic product over the penod 1979-93 dropped by 19 percent. Improved forestry to restore natural "sinks" that absorb greenhouse gases and better agricultural practices to reduce emissions of nitrous oxide are also helping offset emissions.

Fuel switching: All fossil fuels emit greenhouse gases when burned, but not in equal measure. Oil is cleaner than coal and natural gas is cleaner than both. More utilities in Europe as well as worldwide are switching to natural gas, which emits only half the CO2 as does coal per kilowatt hour produced. Other energy sources-solar, nuclear and wind-emit virtually no gases, yet often face serious economic and political obstacles.

Constructive steps that involve participation by all nations and flexible timing should be considered now. Efforts should be directed at stabilising and reducing emissions when and where they are most cost effective. For example, one control scenario being discussed-stabilising CO2 emissions today and implementing a 20 percent reduction in industrialised countries starting in 2010-could cost \$2,600 billion. Spreading the responsibility globally-allowing trading of emission credits-would lower the cost to some \$1,100 billion; adding flexibility in timing—allowing cumulative rether than annuel emission targets out to the year 2050—would bring total costs down to \$500 billion. Some studies Indicate the flexible route could achieve the same long-term benefits as the "quicker" plan.

As negotiators grapple with these issues, they would do well to heed the U.N.'s preliminary guidelines: "Measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost." Jobs and livelihoods are at stake. Current and future generations are counting on us to manage the chal-

We intend to follow up on the results of the July conference in Geneva to look at the economic impact that emission reduction proposals could have on nations. Look for our messages in the future.

Mobil

C1996 Mothi Corporati

### ·LETTERS TO THE EDITOR

Number One Southwark Bridge, London SEI 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to 444 171-873 5938 (pieces set fax to fine'), e.mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

### Bold action essential on debt relief

From Mr Justin Forsyth. Sir. The FT is right to argue in its editorial "Agreeing deht relief" (July 16) that the Paris club should not postpone a decision on extending the Naples terms to its next meeting. This postponement, and the G7 failure to agree to International Monetary Fund gold sales, may prevent a final decision on debt reduction for the poorest countries at the IMF World Bank annual meetings in early October. But these are not the only

initiative. Others include the lengthy six-year time frame before countries will benefit from multilateral deht reduction, the strict eligibility criteria for access to the initiative and the IMF's insistence on contributing its share through more loans. Given the fact that IMF loans bave helped create the debt problem it seems absurd that more loans will help solve it. Poor countries, committed to poverty reduction, need a clear quick break from the past.

concerted action by the G7 and other governments in the next two months to break the political log-jam. If not, there is a real danger that we will end up with a debt initiative which helps solve the debt "problem" for creditors but does little to help poor countries break the cycle of poverty and conflict.

Justiu Forsyth, director, Oxfam International Advocacy Office, 1511 H Street, NW, Suite 1044. Washington, DC 20005, US

### Minimum wage essential to poverty battle

From Mr Dan Corry. Sir, Following on from Martin Wolf's sideswipe at Labour's plans for a national minimum wage ("The fiscal trap for Labour", July 9), you included a full-scale attack on them in your editorial "Minimum wage" (July 11). But your accusations are hard to stand up.

problems with the current debt

You are convinced that minimum wages must have a detrimental effect on employment "notwithstanding controversial suggestions to the contrary". Surely you are aware of the important work done in the US by Professors Card and Kreuger that showed that, in the nearest one could get to a controlled experiment in economics, increases in the minimum wage in the US did not reduce employment. No doubt you are also aware that work (backed by the fast-food industry) by Neumark and Wascher attacking this has now largely been discredited.

Certainly an excessively high minimum wage would cause jobs to be lost, but the empirical evidence (backed op by theories of how real labour markets work) shows that one set at a sensible level need not. You are also convinced that

a minimum wage cannot help in the fight against poverty because not all people with low hourly wages live in poor households. Of course the targeting on poverty is not perfect – a minimum wage after all is aimed at low wages not poverty per se - but a minimum wage does pretty well. Work by Cambridge economist Holly Sutherland published in New Economy, shows the benefits of a num wage in the UK would go disproportionately to the working poor. Only around 15 per cent of gains from a £3.50 rate would go to those under 20 years of age.

Also, the problem of too many benefits going to young people still living at home can be reduced by a lower minimum wage rate for young people - as happens in most EU countries. You suggest a better method to fight poverty is to make the taxpayer pay. No doubt if someone really put this forward in a big way you would talk about the distorting effects of any taxes used to raise the money, the onerous increase in the overall tax burden, dangers of employers taking advantage of any such systems to force down wages, and the problems of incentives that household means-tested

It is time you confronted the evidence. If you care about poverty, then a minimum wage has to be part of the solution.

benefits always cause.

Dan Corry, editor, New Economy, Institute for Public Policy Research. 30-82 Southampton Street, London WC2E 7RA, UK

### Cost to the UK of political silence on Emu

From Mr John Stevens MEP Str. Philip Stepbens' article on the politics of Emu ("Conspiracy of silence", July 12) was spot on. It is bizarre that the principal effect of the emotive campaign to present British participation in the single European currency as the denial of our traditional parliamentary democracy should be utterly to devalue the next general election hy compelling both main political parties to evade probably tha

most important issue the UK has faced for 40 years. When this future cost to our constitution is added to the price we are already paying in the paralysis of our present negotiating position on the technical preparations for Emu Such as the Target clearing system, ably described by George Graham and Gillian Tett ("City fears profit loss by missing Target", July 6) - it is time to call a halt.

Emu is an issue which

divides both the Conservatives and Labour. Surely, it should be possible to have a rational national debate recognising this so that the UK interest can be defended properly. Surely, it is now the duty of the City and industry to speak up. After all, it is their interests far more than those of politicians that are on the line.

John Stevens, 39 St James's Place, London SW1A 1NS, UK

#### Uzbekistan attracts

From Mr Robert Scallon. Sir, Observer, in its article about Uzbekistan and Daewoo ("St Daewoo's day", July 12) demonstrated the need for more facts on that country. Here goes:

 Daewoo is indeed the largest foreign investor in Uzbekistan but its investment programme is broader than just the automotive sector. There is a significant element in the Uzbekistan population which is of Korean extraction and which is represented up to deputy prime

minister level. Uzbekistan is enjoying an improving reputation in the west and is attracting plaudits from organisations such as the World Bank and the European Bank for Reconstruction and Development.

 A few 1995 statistics (gross domestic product \$21.4bn, exparts \$3.11bn, oil production 5.5m tonnes, gas production 47bn cubic metres, gold production 63.6 tonnes, cotton production 4m tonnes, reserves \$1.5bn, foreign debt \$1.5bn) suggest a country in which the UK should show more interest.

Robert Scallon. export finance director, St Mary's Court. 100 Lower Thames Street, London EC3R 6JN, UK

#### Last one came in on time

From Mr P.G.B. Willis. Sir, "Have you ever heard," asks the chief executive of Crest, the London Stock Exchange's new automated share settlement system ("Farewell to mounds of paper", July 15), "of an IT project of this size being delivered on time and to bndget?" Yes, I have. It was introduced on April 9 1979, and was called Talisman, the system which Crest in now replacing.

P.G.B. Willis, Far Horizons, Haytor, Newton Abbot Devon TQ13 9XU, UK

400 -

490 -

### The problem of Mr Dole

Whichever way he turns - and he failed to project the semblance of has turned in a number of directions since embarking on his increasingly forlorn-looking campaign for the US presidency - it seems Mr Boh Dole can do nothing

Intense public mistrust of the incumbent, his own early nominafron by his party, a dramatic resignation from the Senate to cam-paign from outside the Beltway, a shift from the right to the political centre where elections are won -despite all this, the polls point istently in the direction of a humiliating defeat for the Republi-can candidate in November.

Indeed, so grim are the numbers looking that some observers suggest Mr Dole could drag a sizeable group of fellow-Republicans in Congress down with him. What is going wrong for him, and what could he do to put It right?

In fairness, it is partly a matter of what is going right for his opponent. Whatever the shortcomings of his first years in office. President Bill Clinton is nothing if not a brilliant campaigner and a deft stealer of his political rivals' clothes. Nor is the sustained economic upturn over which he continues to preside likely to fuel thoughts of overthrowing him. In any case, challenging an incumhent president who was unopposed for his own party's nomination has rarely been a fruitful exercise in US political history.

Yet there is no getting round the fact that a significant part of the problem is Mr Dole himself. Never an inspirational candidate, the ex-Senator from Kansas has this time fallen short even of his dismal performances during previous hids for the Republican nomination in 1980 and 1988.

Since seeing off populist challangers in the primaries, he has have a tough hill to climb.

a coherent campaign theme or a divided ranks of his party. Instead, be bas been repeatedly and unwisely drawn into rhetori cal battles over such issues as wbether tobacco is addictive and whether a ban on assault weapons

should be repealed. At best these expose poor tactical judgment on the part of him and his handlers. At worst they betray a fundamental confusion about Mr Dole's political identity This confusion has been evident since the outset of the campaign Originally he attempted to run from Congress by engaging Mr Clinton in legislative trench warfare. Then, when frustrated hy a revived Democratic party, he turned the tables by quitting the

It was a gamblt fraught with risks. An explicitly anti-Washington campaign was always going to be faintly implausible from a man with such a long career in the capital. And building one around his personal qualities carried the danger that voters - while recognising his undoubted physical courage and political decency -

So it has proved. And it is hard to see what Mr Dole can do fundamentally to improve the situation beyond being true to himself. avoiding media manholes, encouraging his party to keep its divi-slons under control and hoping something will turn up. Framing a distinctive centrist message will be difficult given the success with which Mr Clinton has annexed Republican territory since 1994. Even if the latter runs into further

### Troubled waters

The government has decided to allow cross-Channel ferry companies to hold merger discussions, freeing them from long-standing ments. It is vital that this does not lead to cartels depressing competitioo on this route.

The trigger for the decision is the emergence of the Channel tunnel as a strong competitor, straightforward merger of the now commanding some 35 per cent of the cross-Channel market. Prices have plummeted, and ferry operators are now making money only from their duty-free operations. Instead of responding to the tunnel hy moving ships to other routes they have increased the number of sailings in a desperate attempt to preserve market

Ferry operators hope that hy being allowed to combine their activities they will achieve an orderly reduction of capacity. But the public benefit of such a policy  which could extend to the pooling of fleets, joint ticket sales and marketing, and price agreements is questionable.

in itself the rule change need not threaten the status quo. Ministers insist that although discussions will be allowed, normal competition considerations will apply. This would appear to exclude a interests of P&O and Stena, the two largest operators on the shortsea routes, with a combined 50 per cent market share. But other undesirable agreements might be attempted. Eurotunnel, of course, might also profit from any price

The Changel tunnel has prompted ferry operators to improve their service substantially in the past couple of years. Prices are competitive, and total traffic has grown significantly. These gains must not be jeopard-

### Treasury musings

about the private musings of UK Treasury officials on Britain's millennium. Clever though the officials undoubtedly are, the Treasury is as often wrong as right even about the present. So it must forgive us some scepticism about its efforts to peer into the

With characteristic bluntness, Mr Kenneth Clarke, the chancellor. has described Strategic Considerations for the Treasury 2000 to 2005, as the work of "kids at the office". He dismisses its ruminations on the potential for deep cuts in the welfare state as based on "cranky, right-wing" ideas imported from Mr Newt Gingrich and his followers on the other side of the Atlantic.

That said, the leaked report should not be dismissed entirely. The political fuss may be exagger ated, but the document does shed light on the dilemmas Britain will and on the reluctance of the politicians to confront them.

It explains the world as it might be in five or 10 years' time rather than as the Treasury wants it to be. Thus the document does not promote particular policies. Rather it is designed to inform the Treasury about the right levels and deployment of its own staff. in that respect it has much in com-EXI mon with the scenario planning Be long undertaken by large corpora-

Man tions such as Shell. 13-3 Measured against the self-servaus deristers, the officials display a Berling freshing degree of realism about 100 drae country's medium-term proscollecticts. It will not be long, they

the end te, before Britain slips from the ifortunately, their conclusions

challenge seem tinged with the Euroscepticism common among more senior Treasury Mandarins. More interestingly, the document explores two of the most important issues which will confront governments over the next few years: the size of the public

European currency.
It considers two scenarios for the welfare state. The first envisages a government led by, say, Mr Clarke (or for that matter Mr Tony Blair) seeking to hold the public sector at roughly its pres ent size. The second sees a right wing administration, led perhaps by Mr Michael Portillo, which

sector and the implications for

Britain of the creation of a single

might seek radical retrenchment. In setting out the options, the officials illuminate the flaws of the present government's attempts to squeeze spending by indiscriminate salami slicing of departmental budgets. Simply to bold the present ratio of spending to national income, some large programmes will eventually have to be scrapped. But the politicians have yet to confront the necessary

tough decisions oo priorities. The report similarly illuminates the paucity of reasoned political debate on a single European currency. In or out, economic and monetary union will bave Immense implications, political and economic. But Conservatives and Labour alike are unwilling to engage the electorate in serious

discussion of the pros and cons. It is healthy that such issues are heing dehated within Whitehall and a pity that the report has been misrepresented. But the Treasury is the author of its own misfor tune. If it has nothing to hide it should ahandon its obsessive secrecy and publish the document.

# Greenspan's day of judgment

The markets will be following the Fed chairman's congressional testimony today with more than usual interest, says Michael Prowse

The US economy: can the good times last?

Dow Jones Industrial Average

Employment non-farm payroll

Interest rates

s the US economy fundamentally sound and capable of generating bealthy corporate profits for years to come or is this period of business expansion now entering its final stages? In the wake of recent sharp falls in US share prices, this is the crucial question on which Mr Alan Greenspan, the Federal Reserve chairman, will be expected to provide guidance in his monetary testimony to Congress today.

Mr Greenspan's congressional appearances are always closely monitored by global financial markets. But today's is especially signif-icant - and not just because of the turmoil in equity and bond markets. Economists will be scrutinis ing his testimony - and the Fed's latest economic forecasts - for hints on the likely course of short-term interest rates. One of the triggers for the sudden fall in share prices was a fear that the Fed would shortly reverse direction on mone-tary policy and begin raising rates in response to tentative evidence of inflationary pressures, particularly in labour markets.

Is this still the Fed's intention? Or does it think falling equity and bond prices will have a sufficiently deflationary impact on the economy to make official policy adjustments unnecessary? Do not expect Mr Greenspan to give explicit answers to such sensitive questions - he is a master of obfuscation. But the tone of his remarks and the way he chooses to characterise the economic outlook should be revealing.

He is likely to start by emphasis-ing how well the US economy has performed in the recent past. Consumers are now enjoying the sixth year of a hroadly based economic expansion. Unusually, this has been led by exceptionally strong business investment. The public sector, so often a motor of expansion in the past, has been steadily retrenching. This week the Clinton administration predicted the hudget deficit would fall to \$117bn in 1996, against \$290bn in 1992. This is equivalent to 1.6 per cent of gross domestic product - the lowest ratio since 1974.

Companies, meanwhila, have created an additional 10m jobs in the past four years - showing that loose talk of "downsizing" is quite misleading. This surge in employment has reduced the jobless rate to 5.3 per cent, its lowest level since 1990. In spite of a strong economic upturn, the annual rate of consumer price inflation has been below 3 per cent for several years and broader price indices suggest the underlying rate of inflation may be closer to 2 per cent.

Corporate profits bave risen sharply as a share of GDP, reversing a decline during the inflationary 1970s. And US exports have grown rapidly, in splte of sluggish growth in many overseas markets such as Japan and Europe - testifying to the efficiency of US producers. All in all, as President Bill Clinton recently remarked, the economy appears to be in "the best shape for generation".

Why, then, the turmoil in the stock market? In part, the recent "mini-correction" is probably just a reaction to past over-exuberance Ironically the very stability and solidity of the expansion contributed to a mood of over-confidence. By the end of 1994, investors had already enjoyed an impressive 12 year "hull market" in equities. But instead of levelling off, shares then rose a further 45 per cent. Recent selling could thus be interpreted as the mere wiping away of specula-

More likely, however, it signifies a growing perception that the good times cannot persist indefinitely. The trouble, however, is that there is no agreement among economists on what might go wrong. Some emphasise the risk of accelerating inflation - and hence higher interest rates - while others believe a sharp slowdown in growth, if not recession, is imminent.

"inflation risk" school believes the Fed has been slow to respond to convincing evidence of above-trend economic growth and incipient inflationary pressures. It will thus have to compensate for past inaction by pushing up short-term interest rates significantly over the next year.

Proponents of this view point out that economic growth was faster in the first half of this year than almost anyone (the Fed included) expected. And with car and home

sales running at near record levels there are few signs of any deceleration. On the hasis of figures on hours worked in recent employment reports, Mr Stephen Roach, chief economist at Morgan Stanley, the New York investment hank, predicts the economy will grow at an annualised rate of 5 per cent in the second quarter and 4 per cent in the third quarter. The economy could still be growing at nearly 3 per cent in the first quarter of next year, well above the 2 per cent widely seen as compatible with stable infla-

Mr Roach sees a burst of growth when the economy is already fully employed as a sure recipe for higher inflation. As in previous cycles, food and energy prices have moved up first. But broader indices will follow their lead. The annual growth of average hourly earnings now running at 3.4 per cent in 1993. And the wage component of the more reliable employment cost index soared in the first quarter. On this reasoning the Fed is already well behind the curve on inflation. Mr Roach expects it to lift the benchmark federal funds rate to 7 per cent by the middle of next year, against 5.25 per cent today. But this monetary tightening -which would push long bond yields well above 8 per cent - would come too late to prevent a significant increase in consumer price inflation

against a trough of about 2 per cent

to 4 per cent next year. The "weak economy" school takes a diametrically opposite view. The Fed need not take any action on interest rates because the husiness expansion is in its final stages. Recent growth rates cannot and will not be sustained in the face of long bond yields of 7 per cent or more.

must retrench. Business investment, so long the source of growth. is already fading - particularly in the high-tech sectors that were so strong last year.

The Economic Cycle Research Institute in Manhattan, a group of business cycle analysts formerly at Columbia University, worries about the possibility of recession next year. There is little or no danger of an upturn in inflation, claims Mr Anirvan Banerji, the institute's associate director. He dismisses wages as a lagging, rather than leading, index of inflation and says all the signs point to subdued price increases for the loreseeable future. Their future inflation gauge is falling, rather than rising sharply as in

early 1994, he says.

According to the institute, the nigger danger is that growth will falter. Its long-run indicator of eco-nomic activity began to flatten last January, snggesting sluggish growth early next year. This would leave the economy vulnerable to external shocks that could result in

ost economists ~ Greenspan themselves somewhere between these extremes. Given the low jobless rate they are braced for some increase in inflationary pressures. Perhaps the most eagerly awaited statistic in coming weeks is the employment cost index for the second quarter, due out on July 30. If this shows another sharp increase in wages, lears of inflation will multiply and the Fed will probably hasten to raise interest rates. But if it and other inflation measures stay subdued, the tone of the bond market could improve mark-

At the same time some deceleration of growth is widely expected after the buoyant summer months, although not to the point of tipping the economy into recession. The 'mainstream" reading of events is thus that the stock market is reacting to a double squeeze on corporate profits. As is typical in the late stages of a business cycle, economic growth is slowing while wages and other production costs are rising. We are seeing labour gain relative to husinesses for the first time in a while," says Mr Paul Mastroddi of the Lattanzio Group, a newly formed hedge fund in Manhattan. It is only natural that investors should adjust to a "tougher environment for profitability".

The profit squeeze is most evident in the high-technology sector which has accordingly seen the steepest declines in share prices. But while predicting some downward pressure on the growth of corporate profitability, few economists regard the gyrations of the high-tech sector as a reliable guide to broader economic trends. No other sectors, for example, are seeing the kind of price declines experienced by computer

manufacturers. These economic cross-currents leave the Fed in a delicate position. Having underestimated growth and price increases this year. Mr Greenspan will probably emphasise the risk of higher inflation and try to prenare Congress for the possibility of higher interest rates. But with financial markets so volatile and the prospects for growth so uncertain, it seems unlikely that he is contemplating more than a minor tightening of policy in August. But then gradualism has been the hallmark of the Greenspan Fed - in good times as well as bad.

### BSERVER.

### Anonymous no more?

■ Joe Klein is the star political columnist for Newsweek, churning out pretty good stuff regularly for According to yesterday's

Washington Post, he was doing a little bit more than that a couple of It has fingered him as Anonymous, the author of Primary Colors, the rollicking, satirical political novel broadly based on

Bill Clinton's 1992 presidential campaign - and, for once, Klein's denials are less than absolute. The Post nailed him (it thinks) through a handwriting expert who compared Klein's scrawl with the author's manuscript notes. This is not the first time that forensic science has been used in the search

for Anonymous. Earlier this year a university professor used computer analysis to compare the writing style in Primary Colors with those of a number of selected authors and concluded, through a fondness for certain adjectives, that Klein was the man.

But the professor's sample was small and Klein's denial adamant. Other sleuths were deterred by the fact that a reporter in the book. who seemed rather like Klein, was cast in an unfavourable light. There were also doubts that any working journalist could have

produced a book so conspicuously

well-written. But when the Post called him at his vacation home with its latest . evidence he merely replied "no comment", later supplemented with "Tve said all that f have to

In a culture steeped in the Nixonian world of "non-denial denials", that passed no muster. One of his Newsweek colleagues wondered yesterday if unmasking might affect Klein's marketability as a columnist. He should worry: the film rights to Primary Cold have been sold for upwards of \$6m and most speculation now is on who gets to play the Bill and

But If it is all true, at least Klein can play himself.

#### Long shot

■ The Organisation for Economic Co-operation and Development that likes to pontificate on countries' growth rates - is growing nicely itself, at least by the yardstick of verbosity. Over the past decade the size of the OECD's annual tome on Switzerland, published yesterday, has more

than doubled, from 61 to 134 pages. A slight hiccup in 1993-94 notwithstanding, the upward trend has been resumed in the current year with a bumper 18.5 per cent increase in the number of pages even though Switzerland is not one of the world's larger countries.

These figures, in turn, do not tell the full story, since they fail to take account both of the rapid growth in footnotes and of the recent enthusiasm for adding a bibliography to the usual lists of .

statistics. Both sectors have flourished. with the number of footnotes rising from less than 20 to 167 over the last decade. On present projections, one should be looking for a five page plus bibliography section next

Judging by the experience of Switzerland, the OECD is also taking longer to reach a conclus

In 1986, it needed less than three pages. This year, the OECD has set aside a record 10 pages for a final assessment of its views on Switzerland - a growth rate of more than 50 per cent.

#### Coining it

After swallowing their resentment over losing the centennial modern Olympic Games to Atlanta, the Greeks are trying to bring the games to Athens in 2004. But knowing that competition will be stiff - Cape Town looks a strong contender - they are trying a new

Loukas Papademos, the central bank governor, has been chosen to set out Greece's stall in Atlanta on the eve of the official opening ceremony. Papademos makes no claims to sporting achievement

he has trouble remembering the names of Greece's weight lifters, several of whom are hot medal prospects - but be's scored several points with Juan Samaranch, the powerful International Olympic Committee chairman Sameranch was particularly enthusiastic about a set of

commemorative coins for the Atlanta Games, issued by Greece's mint, a department of the central bank. It probably helps that proceeds from sales of coins, which will be launched tomorrow in Atlanta, will go into the IOC's

Finally stumped Just as well that ING Barings has settled its row with Deutsche Morgan Grenfell over the poaching of 72 of its Latin American equities

Peace broke out earlier this week just in time for the annual cricket match between the two banks, which took place yesterday

at Buckhurst Hill in Essex. . To settle ING Barings' \$10m claim for damages. DMG agreed this week not to solicit anyone from ING Barings' staff until

The Deutsche Bank unit reckons the concession is insignificant, but ING Barings has one consolation. DMG could not apply to the cricket field its usual business tactic of pinching its opponents best players.

### Financial Times

#### 100 years ago

Associated Tea Estates of Ceylon The capital is £150,000 divided into 8,000 6 per cent, cumulative, preference and 7,000 ordinary £10 shares, of which 6,000 of the now offered up for subscription. E.Bishop And Sons It has a capital of £180,000, in £1 shares, in equal proportions of 6 per cent, cumulative, preference and ordinary, and they announce an issue of 75,000 preference, and 40,000 ordinary. The prospectus -points out that the company acquired as a going concern the old-established business of pianoforte manufacturers carried on by Mesers.E.Bishop and Sons.

#### 50 years ago Cape Asbestos Mr. Robert Walker, chairman of

the Cape Asbestos Company takes a cautious view of the near outlook for the husiness. On the demand for asbestos manufactured goods alone the prospect is bright but the meeting of that demand is conditioned by such restrictive factors as lábour shortages and controls which are hindering the planning of production and the procuring of equipment. Once these handicaps are removed there seems no reason why the chairman's confidence in the longer-term prospect should not prove justified.

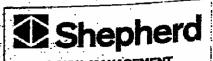
arms betwe waya conf]i The 500 -300

100 -

LEGAL DEFINITIONS estate n. 1 large four whoeled container for child-ren, dogs, green wellies etc (usu. Volvo, Merc etc) 2 person's collective assets and limblities 3 landed property, see nown a MAW, asap (ph 0171-248 4282) Rowe & Marc LAWYERS FOR BUSINESS

### FINANCIAL TIMES

Thursday July 18 1996



DESIGN, MANAGEMENT, Tel: 0171 495 5633. Fax: 0171 495 5634

Closure deals further blow to Penang economy

### Grundig shuts Malaysian factory as demand falls

By James Kynge in Kuala Lumpur

Grundig (Malaysia), part of Philips' loss-making German subsidiary, is to close its plant in Penang. The move is a setback for the Malaysian island which had become a booming centre for electronics manufacturers.

Grundig's move followa last week's announcement by US manufacturer Hewlett-Packard that it was shutting the disc drive division of its Penang

Hewlett-Packard, however, is retaining the larger part of its Penang operation which makes tape drives, optical juke boxes and CD-writers.

Quantum Storage, a Japanese hard disc drive manufacturer, intends to wrap up its operations in Penang by the and of the month with the loss of 1,360 jobs. It hopes that many of the displaced workers will find employment in its aister company in

Penang, Quantum Peripherals, which also makes disc drives. An executive at Grundig (Mai-

result in 600 job losses and was due to falling European demand for radios, cassette players and compact disc players made by the

He believed the Penang closure was a one-off decision and not part of a global restructuring

drive.
Slack international demand has also prompted several other factories to start reducing production by limiting overtime, closing for long weekends and freezing recruitment on the island, off Malaysia's west coast, where a quarter of the workforce is employed in the electronica

Executives in Peoang can-tioned that the closures did not mean the island was no longer a profitable manufacturing loca-

However, wage increases are now far outstripping productivity gains, prompting some manufac turers to relocate to areas with lower labour costs.

Another issue is a severe shortage of skilled labour, which has led to engineers and skilled work-ers threatening to leave unless reduce its troops in Germany to 3,000

France to

By David Owen in Paris and Bernard Gray in London

France yesterday announced a massive reduction of its military personnel in Germany, to leave only 3,000 French troops there by the end of 1999 compared

with about 20,000 at present. The troop withdrawals, part of a comprehensive streamlining of French armed forces, may beighten tensions between France and Germany over military co-operation.

The announcement follows a decision by the French govern-ment to cut several Franco-German arms programmes and a move by Germany to review a number of Franco-German weap-

The French decision to remove almost all troops from Germany might encourage other Nato members to follow suit. Almost 100,000 US troops are still in Europe, most of them stationed in Germany, while the UK has 25,000 troops there. Both countries have budget

difficulties which could be eased by withdrawing troops from overseas bases. However, a presence in Germany is thought by many military officers to be crit-ical for maintaining the "glue" in the Nato alliance.

The package was unveiled yesterday by Mr Charles Millon, the French defence minister, just three days after the traditional Bastille Day military parade. It calls for the disbanding of 38 regiments, the closure of three air bases and the mothballing of the near-obsolete aircraft carrier, the Clemenceau.

The cuts stem from President Chirac's decision earlier this year to end nearly a century of military conscription and to peg defence spending for 1997-2002 at an annual FFr185bn (\$35bn), split between FFr99bn for pay

and FFr86bu for equipment. The aim is to create a fullyprofessional force much smaller than the current conscripted army but packing a bigger punch at approximately the same cost. Over the next six years as conscription is phased out, the French army will shrink by 36 per cent, the navy by 19 per cent and the air force by 24 per cent. nance of the remaining French forces in Germany was in accor-dance with the wishes of Mr Helmut Kohl, the German chancellor. It also aymbolised tha Franco-German alliance and affirmed "in a very concrete way" French attachment to the Eurocorps, a Franco-German armoured brigade designed as the nucleus of a bigger European

military force.

He indicated that "certain French-based regiments" would participate in Eurocorps. Eleven of the 38 regiments earmarked for disbanding are currently sta-tioned in Germany.

#### From the sketchy details so far available, the US anti-trust authorities FT-SE Eurotrack 200: have struck a blow for a more competitive media market. The Federal Trade Commission will allow Time Warner to acquire Turner Broadcasting, but Mr John Malone's Tele-Communications Inc (TCD) will have to sever its. links with Time as part of the deal. The big concern was that Time. Turner and TCI would operate as a

THE LEX COLUMN

Nonetheless, the European manufac-

turers look reasonably well insulated

from the plight affecting US D.Ram producers. They have significantly less exposure to personal computers.

particularly in the US, and continental

European economies are only just clawing their way out of recession.

Moreover, both SGS-Thomson and

Philips, and to a lesser extent Sie-

mens, have a low proportion of sales

from commodity chips. There is little

doubt about the strength of longer-term demand for semiconductors, and with Philips and SGS-Thomson main-taining planned capital expenditure

levels they are well placed to benefit.

from future growth. But until there

are signs of a pick-up in consumer

may not be reflected in stock prices.

News Corp

confidence in European markets this

Mr Rupert Murdoch has, unusually,

found himself over a barrel: So keen is

the News Corporation chairman to

beef up Fox, his US terrestrial TV net-work, that he has had to pay Mr Ron.

Perelman's New World Communica-

The strategic logic is clear. Together

with Fox's existing stations, the broad-caster now has its own distribution

network covering 40 per cent of the US

- the maximum allowed by the regula-

tions and more than NBC, ABC and

CBS, the other big networks. The

advantage of owning a critical mass of

stations is that News Corp now has a

secure outlet for programmes and a platform for developing new products.

Ideally, this will fuel a virtuous circle,

with better programmes sparring

higher ratings and in turn allowing

investment in better programmes, Moreover, a airong US terrestrial network is important as part of Mr

tions top dollar for its TV stations.

single bloc. Their joint dominance of both cable channels and networks. would have allowed them to dictate terms in US cable TV. Now with Mr Malone promising to spin off TCT'e stake in Time and TCT's favourable deal to receive Time's channels for 20-years being annulled, the two groups will probably not act as a single entity. Indeed, there will be incentives

The new Time Warner/Turner combination looks particularly vulnerable It will no longer be abla to rely on TCI to promote its channels like CNN, the Cartoon Network and HBO. Mr Malone has already cut a deal to carry Mr Rupert Murdoch's new 24-hour news channel, which will be direct

competition to Turner's CNN. With the Turner deal nearly clinched, the position of Mr Gerald Levine, Time's much-maligned boss, looks more secure. But he still has much to prove, given the dismal performance of the company's share price since he took over. Not only is the \$7.5bn Turner acquisition extremely expensive; Mr Levine, who has strug-gled to control Time Warner's existing collection of warring baronies, must now show he is up to managing an even bigger behemoth.

#### Semiconductors

Intel and SGS-Thomson have both demonstrated that life in the semicon ductor industry is not as bad as has been suggested by the recent high-tech share sell-off. Commodity D-Ram memory chip prices may have dropped hy two-thirds from their 1995 peak, but manufacturers are adjusting. Production is being cut and capacity increases are being either phased or cancelled. Meanwhile, producers of high value added products are delivering substantial growth.

The main challenge is that component suppliers to the computer indus-try are having to cope with a rapid drop in lead time for orders - a natural accompaniment to the fall in component prices. And Hewlett-Packard'a recent profits warning offers little hope for a short-term pick-up in the US, whila the plight of Escom suggests

Competition Time Though satellite and cable networks are growing fast, they do not command nearly as many viewers and so cannot justify the same levels of pro-

gramming expenditure. But, up to a

point, once products have been developed or acquired for Fox, they can be distributed through Mr Murdoch's global empire. In the circumstances, it is unsurprising that Mr Perelman has squeezed out a high price. Once debt is included, News Corp is paying \$3bf. for the 80 per cent of New World it does not already own. Even after making allowance for the fact that a pro-

duction business is being thrown in

with the TV stations, that still works

out at a hefty 16 times next year's expected operating cash flow.

Derivatives

Regulators everywhere have been overwhelmed by the explosive growth in the use of derivatives. Yesterday it was the turn of the UK'a Accounting Standards Board to try to catch up. As a first step, the ASB is right to concentrate on ensuring proper disclosure. Most companies these days hedge their exposure to interest rates and currencies with instruments like swaps or forward contracts - but you would never guess it from their accounts. The collapse of Metallgesell-schaft and Barings shows that when derivatives go wrong they can go very wrong. That does not mean there is a potential disaster hiding inside every widget manufacturer. But derivatives

can change a company's risk profile almost overnight. The board's solution is to have companies describe bow they use derivatives and to back this up with details of their interest rate, currency and debt profiles. This should help investors to spot trouble The second, much trickler, issue is how to measure derivatives. The

ASB's proposal to mark derivatives to market has the virtue of mirroring internal company practice. But to remain consistent, the board has been forced to extend current market val ues to all financial instruments including convantional loans. This would transfigure balance sheets and will raise howls of protest from industry and accountants, who are already deeply divided over the merits of current cost and historical cost accounting. That debate must not be allowed to delay the vital goal of improving disclosure as quickly as possible.

Additional Lex comment on United

### avsia) said the closure would UK insurers to hire expert to aid genetic testing policy

By Clive Cookson and Motoko Rich in London

The UK insurance industry is to appoint a genetic adviser to help companies formulate a policy on the controversial issue of genetic

The announcement yesterday by the Association of British Insurers came on the first anniversary of a report by a parliamentary science committee which gave the industry 12 months to produce a code of conduct for preventing unfair discrimination against people found to be carrying harmful genes.
MPs will debate the isaue

tomorrow. Last night, geneticists accused the industry of making the minimum possible response to the MPs' deadline and of failing to face the issues involved. Serious discussion of how the insurance companies might clab-

orate a code of conduct bas scarcely begun," said Mr David Shapiro, executive secretary of

**Transfers** 

Continued from Page 1

those transferred as part of their

career progression or to a perma-

nent job. The latter usually

receive a one-off payment at the

Management Moves in Europe,

Monks Partnership. The Mill

House, Wendens Ambo, Saffron Walden, Essex CB11 4JX

**Europe today** 

High pressure will produce abundant sun and warm temperatures over the British Isles but high cloud will partially dim the

sun in northern ireland and Scotland as a

weak front approaches from the Atlantic. East of the high, northerly winds will direct

patches of cloud to the Benelux but the afternoon will be sunny. Southern Scandinavia, Poland and Russia will continue to have showers and

and Portugal and Spain will be dry and sunny. A mixture of sun and cloud is

expected near an old front stretching ove southern France and Italy but showers are

unlikely. Another front will trigger thunder storms in northern and central Turkey.

The British Isles will continue rather sunny

expected in the Benelux, Germany and tha

rest of the Mediterranean will have a lot of

Five-day forecast

start of their assignment.

ics, which has led the UK debate

on genetic testing. "It needs to be pushed forward with vigour, as we are entering an era in which we will know about genetic predisposition to common disorders such as heart disease and cancer.

But Mr Mark Boléat, ABI director-general, said the appointment of a medically qualified "genetic adviser" from outsida the industry was just one of a series of initiatives. "We aim to draw up a code of conduct, to set down sensible arrangements for the hand-

Mr Paul Smee, head of life assurance at the ABI, said the industry had delayed the publication of the code because it was a "difficult Issue". The industry wanted "to get it right rather than get it by July 19".

code says the industry will not itself conduct genetic tests to obtain information about clients.

find exciting ways to stop people from buying it," said Mr Smee. He said the industry was more likely to use genetic information if it was voluntarily submitted by potential policy holders who allow access to private medical

of the labour shortages in Malay-sia, an estimated 20 per cent of

the 8m workforce are foreigners.

long maintained that labour

intensive, lower-tech companies

are likely to depart as the coun-

try heads toward its goal of becoming fully industrialised by

Bnt eenior officials recently

criticised an average manufactur-

ing wage rise of 11.7 per cent in

the first quarter, compared with

a risa in productivity of 6.1 per

Penang's slowdown is indica-

tive of wider trends. Malaysia's

industrial production index in

May fell 2.2 per cent from April. The electronics production index

grew 10.9 per cent in May - a

much slower rate than the 23.3

With electronics accounting for

18 per cent of manufacturing out-

put and 30.5 per cent of exports, the slowdown is likely to lead to

lower exports despite an expected upturn in global electronics

per cent rise in April.

Malaysia'a government has

In the US, 13 states have defied lobbying by the insurance industry and passed legislation prohibiting health insurers from using genatic information from applicants' medical records. Genetic test manufacturers

such as Myriad, the Utah-based ling of genetic information." blotechnology company that is developing a test for breast cancer genes, support such legisla-tion because they believe it will give people more confidence in using their products.

Mr Barry Millard, marketing director of University Diagnos-A provisional version of the tics, a London-based testing company, said UK law abould protect genetic privacy in the same way. "The industry wants to sell confidential to the patients and the Nuffield Council on Bioeth- insurance. We do not want to their healthcare provider."

president's hands in foreign policy by requiring sanctions. US trade partners remain concerned about aspects of the Helms-Burton Act. particularly Title IV, which provides for exec utives of companies "trafficking" in Cuban property and their families to be barred from the US.

the end of August.

### US sanctions move angers EU Continued from Page 1

directors and executives of Toronto-based Sherritt international that they would be barred from the US unless the mining company pulled out of Cuba by

Canada maintains that Title IV contravenes the "free passage provisions of the North American Free Trade Agreement

It was a filthy profession, but the money was addicting, and one addiction led to another, and they were all going to Hell...

THE NOT INTERNATIONAL BESTSELLING NOVEL

The hilarious electrifying novel that does for money what Catch-22 did for war

'This is a wonderful novel' - Mario Puzo

'Bombardiers ranks with Liar's Poker as a portrayal of the craziness of investment banking in its money-junkie phase' - Tom Waife

'Name of the Rose' rewritten by the Marx brothers - Time Out

MINERVA

### 1010 thunderstorms. Northern and central France 畜 and warm but rain is likely in the north next week. Showers and thunder storms will occur in eastern Europe. A warming trend is Alps. Spain and Portugal will be sunny. The

sun but thunder storms will erupt over Italy during the weekend. TODAY'S TEMPERATURES Caracas Cardiff Casabianca Chicago Cotogne Dakar Dalles Dalhi Dubal Dubal Duban Duban Medrid
Meloroa
29 22 23 23 18 17 32 31 26 31 20 35 43 25 28 19 32 25 22 728 SUN SUN SUN SUN TRANS TRANS TRANS SUN TRANS SUN TRANS Rangoori Rayfqavlik Plo Rome S. Frsco Secul Singapori Strasbour Sydney Tangler Tal Aviv Takyo Torato Varicouv Verice Verice Warsaw Washing Welling! chower reiny fair cloudy fair shower sun cloudy tain fair cloudd thund thund thund shower thund shower thund 30 12 22 30 22 30 17 24 18 13 33 14 25 20 17 28 12 77 23 Frankfurt Geneva Gibrejtar Gibrejtar Herburg Helsinki Hong Kor Honduku Istanbul Jakarta Jersey Kerachi Kuwait L. Angefe Las Paire We can't change the weather. But we can always take you where you want to go. Lufthansa